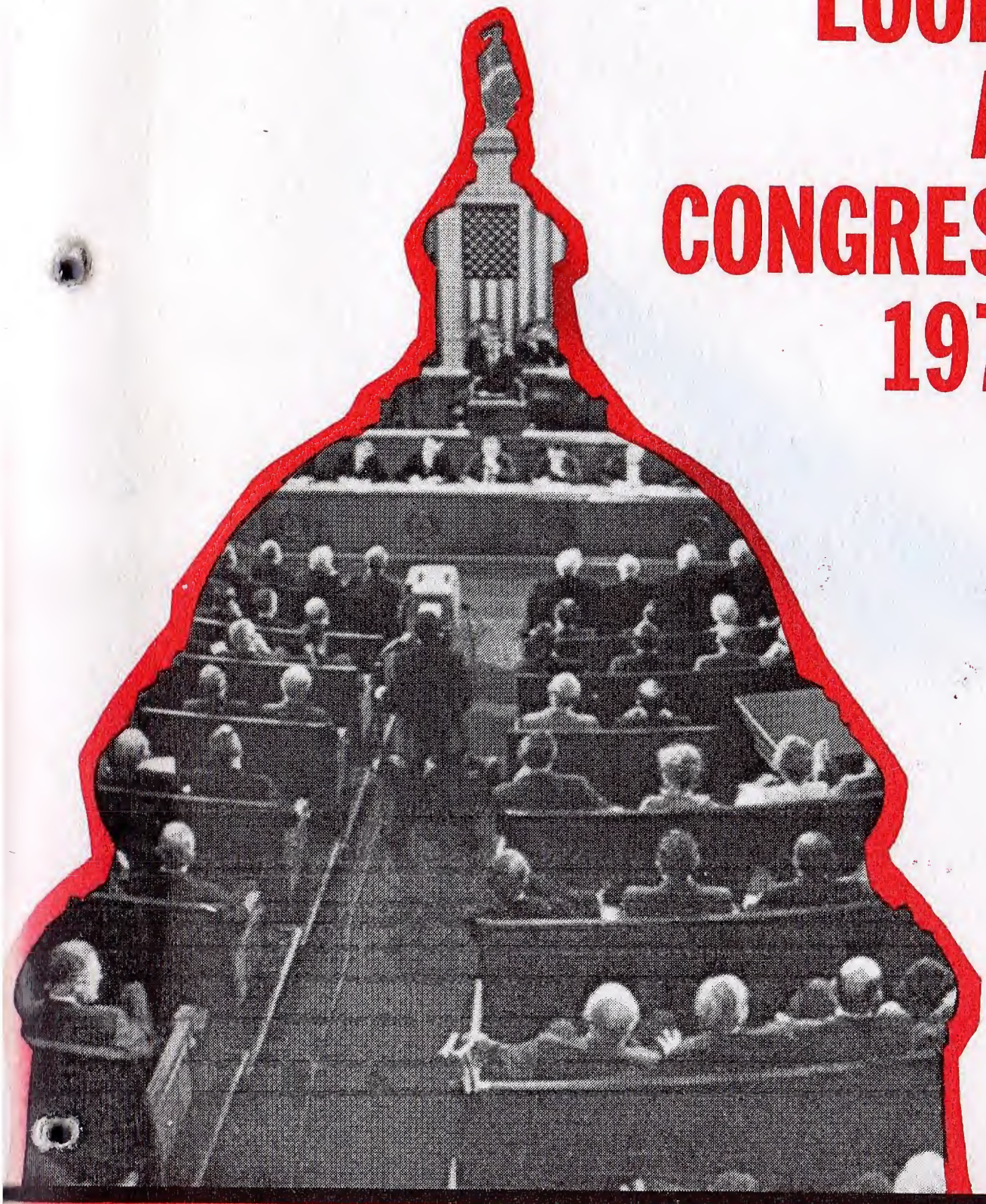
LABOR LOOKS AT CONGRESS 1973



An AFL-CIO Legislative Report

LABOR LOOKS AT CONGRESS 1973

AN AFL-CIO LEGISLATIVE REPORT

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Foreword

The first session of the 93rd Congress was marked by a continuation of confrontation between the White House and the Congress. With Congress refusing to rubber stamp many regressive legislative measures proposed by the Administration and the President blocking congressional initiative through calculated delays, indiscriminate use of the veto and withholding of congressional appropriations, the result has been an inability on the part of government to move forward to meet the critical social and economic needs of the country.

In the last year this crisis in government took on new dimensions as President Nixon, viewing his election landslide as a so-called "mandate" to pursue his conservative policies, intensified efforts to not only completely dominate the legislative branch but in so doing systematically eradicate many of the vital, labor-backed social programs created during the 1960s. However, this so-called mandate was shattered by the revelations of Watergate-related illegal political acts and alleged corruption reaching into the highest echelons of the Nixon Administration. By year's end, with the President's control over Congress rapidly eroding, Congress began to slowly fill the power vacuum left by a discredited President and in so doing began to reassume its constitutional prerogatives which had been boldly seized by an Administration now faltering under the specter of impeachment.

The legislative result of this progression of events was mixed. Where Congress stood its ground and acted forcefully, significant progress was made. Where Congress bowed to the demands of the White House, progress was a lost commodity.

A prime example of White House control over the Congress was in the area of economic stabilization. Once again Congress allowed the Administration a free hand to continue its wholly inequitable and ineffective economic control program. A rapid fire progression of Phases II, III, and IV maintained controls on workers' wages while profits and prices skyrocketed. As a result Congress in 1974 must insure equitable, across-the-board

economic controls and thus demonstrate to the American people that fairness is indeed the cornerstone of the nation's economic way of life. If fairness is not guaranteed, then wage-price controls must be abandoned.

As Congress must resume a measure of control over the management of the nation's economic affairs so must it also improve its track record on two other major economic issues—trade and tax reform.

On trade, efforts by organized labor to protect the American economy and American jobs from the adverse effects of unfair foreign competition through enactment of the Burke-Hartke bill failed as the House in its version of trade legislation gave in to White House demands for blank check authority to deal with trade problems similar to that already given away in the area of economic controls. In the second session organized labor will urge the Senate to face up to the economic realities of the twentieth century and restore common sense to America's foreign trade policy.

In the fight for tax justice, public groundswell for a comprehensive overhaul of the nation's tax system will increase in light of the President's questionable use of certain tax loopholes which has resulted in both a Congressional and Internal Revenue Service investigation into his recent tax returns. Despite the rhetoric of the 1972 elections, no progress was made toward labor's goal of tax justice. Thus the issue will be high on labor's list of priorities in 1974.

With the White House preoccupied with Watergate, Congress will also be asked to provide answers to the pending energy crisis which, despite advanced warnings by Congressional and labor leaders, burst upon the public scene late in the year. Congressional passage of last minute legislation giving the President limited authority to deal with fuel shortages was delayed as a result of a Senate filibuster against a provision designed to prevent excess profits by fuel producers. Common sense would dictate the essentiality of this proviso in the face of recent price increases amid widespread charges that fuel "shortages" have been manufactured for the benefit of certain corporate concerns. The AFL-CIO will continue to press for

the inclusion of this and other safeguards in order to guarantee equality of sacrifice during this critical situation.

As Congress attempts to provide solutions for the nation's economic problems, it must also continue to move forward in other areas as it did in the last year on manpower and minimum wage legislation. Steadfast opposition by the Administration in the face of rising unemployment to the continuation of the public services employment program was overcome as Congress included this vital jobs program in comprehensive legislation consolidating and expanding the nation's manpower effort. On minimum wage, the Congress swept aside the Administration's orchestrated opposition by the conservative coalition and passed labor-supported legislation increasing the minimum wage to $2.20 hourly. Yet in the most callous example of the Administration's indifference to the needs of the nation's least advantaged citizens, President Nixon vetoed the bill because it failed to contain a youth subminimum wage rate which the AFL-CIO had vigorously opposed. House conservatives again wrote the final chapter in this fight as they prevented a congressional override of this ill-advised action.

In driving an even deeper wedge between Congress and the White House, the President, in an effort to defuse the Watergate issue, tried to paste a "do-nothing" label on the Congress. Yet nowhere was this argument more transparent than on the issues of health and housing.

The Administration has missed few public relations opportunities to proclaim its support of health programs, but there has been a huge gap between its words and its deeds. Simply stated, the Administration has turned its back on the health care needs of the American people. Health programs have been fed starvation budgets or faced decapitation on the OMB's execution block and only congressional vigilence blocked these White House efforts. Meanwhile, growing grass roots support for national health insurance was met once again by Administration delays while Congress began laying groundwork with passage of landmark health legislation providing federal funds for the development of prepaid health maintenance organizations.

In housing, the Administration early in 1973 placed a moratorium on federally-financed low- and middle-income housing. Legislation to end the moratorium ended up on the ever growing legislative scrap-heap as House conservatives again blocked this effort. In an effort to blackmail the Congress into adopting its special revenue sharing program for housing and urban development, the White House refused until recently to send its new comprehensive housing legislation to the Congress. As a result, by year's end the national commitment to provide a decent home for all Americans has been abandoned and the country faced a continuing critical shortage of much needed housing.

In other legislative areas, progress on important social legislation was similarly hampered as the Congress, under a barrage of vetoes, impoundments and budget cuts, was preoccupied with a rearguard action necessary to just maintain the status quo. Through legislation and in the courts, Congress thwarted Administration efforts to dismantle health, education and the poverty programs and, in fact, successfully increased the federal budget for these programs. In numerous court suits, it was again Congress that prevented the impoundment of congressionally-appropriated social funding.

With much remaining in the area of social legislation, major labor bills still await completed action by the 93rd Congress. Federal standards for unemployment compensation and workmen's compensation as well as pension reform head this agenda. Under the guise of pension reform, the Senate passed legislation allowing wealthy individuals even larger tax loopholes—a proposal organized labor will never support. In urging the House to remove these onerous provisions, organized labor will also look to Congress to rewrite the totally inadequate Administration proposed minimum federal standards for unemployment compensation. Pending workmen's compensation legislation which the AFL-CIO is supporting was drawn from the recommendations of a presidential commission, and we remain hopeful the Administration will follow at least this commission's findings. And during all of these fights labor will continue its efforts to make the landmark 1970 job safety law work by securing the funds necessary for the adequate enforcement of the law.

In the history of these and indeed all of labor's 1973 legislative endeavors detailed in the pages that follow, the outcome of each issue depended in part upon some resolution of ongoing confrontation between Congress and the White House. On some issues, the Congress laudably stood its ground and acted forcefully and with foresight. On others, it was regrettably intimidated by the bold assertions of power by the Executive Branch.

Yet 1974 begins with the power of the once-formidable Nixon Administration diluted—as the President, trying to extricate himself from the Watergate miasma—becomes increasingly unable to respond to the problems facing the nation. Thus Congress is provided with the unique opportunity to reassert its congressional co-equality by providing both the answers and the forceful leadership necessary to help solve the nation's problems.

Yet if Congress is to succeed in this task it must not allow itself to be deterred by its own conservative forces of inaction. Similarly, it must not be distracted by certain other events from enacting much needed social and economic legislation. While the impeachment of Richard Nixon is fundamental to the restoration of the people's faith in their government and in their political processes, Congress' legislative responsibilities to the nation remain and must be pursued with equal vigor. By the same token the forthcoming congressional elections do not excuse legislative expediency in the face of rising unemployment, the energy crisis, a deteriorating economic situation and an endless list of other social, economic and political problems.

For labor's part, the AFL-CIO will urge Congress to seize the initiative and enact legislation guaranteeing viable solutions rather than empty promises. And in this effort we will continue to aggressively pursue implementation of labor's broad legislative program designed to secure for all Americans health, dignity and economic security.

IMPEACHMENT

Initially described as a "third rate burglary" by the Nixon Administration, the Watergate incident exploded in 1973 into a full fledged political scandal with revelations of widespread illegal acts perpetrated by the President and high officials within his Administration. Hearings by the Senate Select Committee on Presidential Campaign Activities, the so-called Watergate Committee, and federal district court proceedings investigating Watergate revealed not only the attempted cover-up of the Watergate incident but also a long list of other illegal activities which included:

- The formulation, in the name of national security, of a broad scale plan, later aborted, which would have violated civil liberties through domestic political surveillance, espionage, wiretapping, burglary, eavesdropping and opening of mail.
- The creation of a special and personal secret police, known as the "plumbers," answerable only to the White House, to operate totally outside the constraints of law and whose activities included the burglary of the psychiatric files of Daniel Ellsburg.
- Plans to use the power of the White House, the Justice Department, and the Internal Revenue Service, as well as other

government agencies, to punish a list of "political enemies" which included a number of labor union officials.

- White House intervention in the antitrust suit against International Telephone and Telegraph to secure a settlement agreeable to the corporation, after which the corporation agreed to underwrite $400,000 of the cost of the 1972 Republican National Convention.
- Obstruction of a government investigation into the activities of financier Robert L. Vesco in exchange for a $200,000 campaign contribution.
- Extortion of illegal campaign contributions by both officials of the Nixon re-election committee and the President's personal attorney from corporations which were dependent on the good will of the government.
- Receipt of large campaign contributions from the dairy industry, which was seeking and later received lucrative dairy price support increases and restrictions on imports.
- Illegal political sabotage of the campaigns of Democratic presidential candidates.
- Involvement of the CIA in the coverup of the Watergate and curtailment of FBI investigation of the Watergate break-in.
- Destruction of evidence.
- Suppression of the facts of the burglary of the office of Daniel Ellsberg's psychiatrist from the judge in the Ellsberg trial and interference with the administration of justice by offering the judge directorship of the FBI.
- Interference with the freedom of the press through wiretapping, FBI investigations, and threats of punitive action.

As a result of these and other revelations, President Nixon, under public and congressional pressure, authorized the appointment of Archibald Cox, as an independent special prosecutor to conduct a separate investigation of these incidents. The President pledged his full cooperation with this investigation and repeatedly in numerous public appearances promised the American people full revelation of all the facts concerning Watergate. But as the investigation proceeded, the President repeatedly

refused to cooperate with special prosecutor, the courts and the Watergate Committee.

This calculated obstruction of the Watergate investigation culminated in late October by the firing of the special prosecutor along with Attorney General Elliot Richardson and Deputy Attorney General, William Ruckelshaus, both of whom had refused the President's order to dismiss the special prosecutor. In place of Cox, the President appointed another independent prosecutor, naming Leon Jaworski to the post.

Meeting at the same time that these dismissals occurred, the AFL-CIO Convention, charging that these "incredible" actions revealed "the extent to which Mr. Nixon is prepared to go to prevent the full disclosure of evidence relating to the Watergate cover-up and other charges of criminal conduct by high government officials" and that President Nixon's "determination to prevent judicial examination, no matter what the cost to our constitutional system, can only further erode public confidence in him," unanimously adopted a resolution calling for the resignation of the President. In urging this action "in the interest of national security . . . in the interest of restoring a fully functioning government, which his Administration is too deeply in disarray to provide and . . . in the interest of preserving our democratic system of government, which requires a relationship of trust and candor between the people and their political leaders" the resolution further stated that "if Mr. Nixon does not resign, we call upon the House of Representatives forthwith to initiate impeachment proceedings against him."

Soon after the dismissal of the special prosecutor and the enormous public outcry which followed, Rep. Peter Rodino (D-N.J.) chairman of the House Judiciary Committee announced that the committee would begin an immediate inquiry into the possible grounds for impeachment of the President. On November 15 the full House passed by a 361-51 vote a labor supported resolution appropriating $1 million for the committee's investigation. While the committee's impeachment investigation was delayed as a result of hearings on the nomination of Rep. Gerald Ford to be Vice President succeeding Spiro

Agnew, who had resigned earlier as the result of a pleading guilty to a charge of tax evasion, the investigation was expected to commence immediately after Congress returned for the second session. Chairman Rodino has announced a tentative target date of April for completion of the committee's impeachment deliberations. The Senate Watergate Committee and special prosecutor Jaworski also are continuing their investigations.

In a related development Congress completed action in mid-November on legislation providing a six-month extension of the Watergate grand jury and allowing the jury to seek from the U.S. District Court of the District of Columbia an additional six-month extension. Another bill which in effect enabled the Senate Watergate Committee to subpoena pertinent White House material similarly received congressional approval. This legislation came as a result of an earlier unsuccessful committee bid to subpoena information from the White House. In the subsequent court challenge, the District Court ruled that it lacked jurisdiction. Congress then passed legislation giving jurisdiction to the District Court, the Watergate Committee then subpoenaed over 500 tapes and documents. The White House again refused to comply, raising the threat of a new confrontation over executive privilege.

JOBS AND THE ECONOMY

Energy Crisis

Continuing fuel shortages, whether real or induced, increasing consumption and finally the Arab oil boycott imposed as a result of U.S. support for Israel, precipitated in late 1973 critical shortages of gas, oil and other derivative fuels. Labor and Congress, notably Sen. Henry M. Jackson (D-Wash.), had repeatedly warned the Administration over the past few years of an on-coming fuel crisis and of the necessity for developing a comprehensive national energy policy. The Administration failed to react to these warnings. By year's end when the fuel shortages became critical, the nation was caught short as the President's legislative proposals came too late to avert massive job layoffs and sky-rocketing fuel prices. An even more serious economic slow-down then earlier predicted and the possibility of fuel rationing were forecast for early 1974.

In response to this crisis President Nixon, in early November proposed a broad emergency program to curb the nation's fuel consumption. He announced the implementation of six emergency steps not requiring action by Congress and urged quick congressional approval of emergency powers legislation giving him broad unprecedented peacetime prerogatives to deal

with the energy crisis. The President also urged favorable action on four long range measures which, along with a newly unveiled energy research and development program, were designed to make the U.S. energy self-sufficient by 1980. And despite his opposition to a number of consumer protection amendments added to the Alaskan pipeline bill, the President said he would sign the bill (see Alaskan pipeline).

Almost immediately the House Commerce Committee and Senate Interior Committee began hearings on the Administration's proposals. The AFL-CIO called on Congress to write "even handed" standards into law in order to guarantee that workers would not bear the brunt of energy cutbacks while employers boosted profits. The Federation said that the President had acted "dangerously late" and that "on the basis of his past record, the President would permit big business and industry to use this emergency to increase profits while the American people sacrifice." Labor strongly urged Congress not to turn unequivocal "blank check" authority over to the President. In opposing rationing by higher taxes which would "allow those who can afford it to purchase scarce supplies while those who need it and are less affluent would be deprived," the AFL-CIO advocated a number of protective provisions designed to minimize economic dislocation and hardships, assure equity and even-handedness and guarantee against windfall profits. Included among these were:

- Special assistance, including extended and improved unemployment compensation, for workers and communities adversely affected by the emergency.
- Adoption of clear procedures to review complaints by workers and their unions about adverse employment effects.
- Easing of environmental standards should be held to the minimum necessary to meet this particular emergency.
- Assure worker and consumer representation in the administration of energy controls, with safeguards against industry domination.
- Rejection of proposals to deregulate natural gas at the wellhead which represent an effort to raise prices and profits.

- Elimination tax credits and depletion allowances on foreign operations of U.S. oil companies.

On November 12, the Senate Interior Committee reported out the emergency powers legislation granting the President selective authority to control fuel consumption through conservation, industrial and commercial allocation and temporary but limited suspension of clear air standards. The bill, sponsored by Sen. Jackson, did however reserve to Congress the right to disapprove all or part of a proposed contingency plan or terminate the plan after six months. The legislation established a National Energy Emergency Advisory Committee to aid the President in the implementation of the act and guaranteed labor and consumer representation on this advisory body. On November 15, the Senate began its deliberation of the bill.

During debate on the measure the Senate considered some 56 amendments to the bill and adopted 38. The most important of these was a labor supported amendment offered by Jackson, overwhelmingly approved by a 73-12 vote, providing extended unemployment compensation benefits and reemployment assistance to those workers losing their jobs because of energy curtailment resulting from the emergency powers legislation. In another key vote the Senate rejected by 69-17 an amendment by Sen. Paul Fannin (R-Ariz.) to delete from the committee bill the section providing for congressional oversight review of any presidential action implementing an energy contingency plan authorized by the legislation. Another Fannin amendment, strongly opposed by the AFL-CIO and its maritime affiliates, permitting the Secretary of Commerce to exempt energy related products from the requirements of the Jones Act—requiring U.S. coastal trade to be carried in U.S. flag ships—was also rejected by a 27-60 vote. Following the disposition of other amendments the Senate, after four days of debate, passed the bill by a 78-6 vote.

In mid-December the Senate also took up and passed separate legislation establishing an independent Federal Energy Emergency Administration. During debate Sen. James Buckley (Con.-R-N.Y.) offered an amendment strongly supported by oil corporations to deregulate the Federal Power Commissions'

price control on natural gas at the wellhead. The labor-opposed amendment, which would have resulted in an estimated tripling of the price of gas, was rejected as the Senate agreed by a 45-43 vote to a tabling motion offered by Sen. Abraham Ribicoff (D-Conn.).

In a key vote on December 19 the Senate rejected the Buckley anti-consumer amendment.

Voting to retain regulation on the price of gas ... 45
(39 Democrats—6 Republicans)

Voting to deregulate the price of gas ... 43
(13 Democrats—30 Republicans)

In the House, the Commerce Committee on December 7 reported out its version of the emergency powers legislation, sponsored by Chairman Harley Staggers (D-W.Va). Substantially more restrictive regarding presidential prerogatives than the Senate version, the committee bill would permit the President to establish priorities for fuel allocation, impose gas rationing and order refineries to produce more home heating oil and less gasoline if necessary, and require producers to produce at rates set by the Administration. While establishing a Federal Energy Administration, created by the Senate in separate legislation, the bill directed the administrator to submit energy plans to Congress for approval. The bill would also continue 1975 auto emission control standards until 1977, permit temporary suspension of clean-air standards and provide for coal-burning by industrial and power plants. The legislation would restrict windfall profits by the oil and coal industries. On December 12 the House took up the committee bill.

During a marathon and often chaotic three days of debate the House considered some 60 amendments to the energy legislation. The most important of these was one offered by Rep. Jonas Broyhill (R-N.C.) which would have gutted the section of the committee bill providing for strict regulation of fuel company profits by allowing the President to define unreasonable profits and to propose excess profits regulations. The amendment, strongly opposed by organized labor and consumer interests, was rejected in key 188-213 vote.

In a key vote on December 13 the House rejected the Broyhill amendment weakening federal regulations of excess profits during the energy crisis.

Voting to weaken regulations of excess profits ... 188
(51 Democrats—137 Republicans)

Voting to maintain strict regulations of excess profits ... 213
(172 Democrats—41 Republicans)

Another Broyhill amendment, designed to undercut effective congressional review of presidential energy plans as provided for in the committee bill by allowing implementation of such plans subject only to a 15-day congressional veto period, was also rejected by a 152-256 vote. Following this action the House passed by voice vote an amendment by Rep. John Heinz III (R-Pa.) providing for congressional approval of all Administration-proposed rationing plans.

In terms of worker protection provisions, the House approved by a 311-73 vote a labor supported amendment sponsored by Rep. Ronald Sarasin (R-Conn.) providing unemployment assistance to those persons losing their jobs because of implementation of the energy law. Another employment protection amendment, offered by Rep. Gerry Studds (D-Mass.) prohibiting the export of coal or petroleum products if such exports contributed to unemployment, was also overwhelmingly approved.

However, the House rejected, by a 170-223 recorded teller vote, an amendment by Rep. Brock Adams (D-Wash.) to strike from the committee bill a provision which would exempt from possible anti-trust proceedings those retail establishments arbitrarily changing their hours of operation in the interests of energy conservation. The amendment was strongly supported by organized labor particularly those unions representing retail employes who opposed this provision of the committee bill because of its potentially adverse affect upon existing collective bargaining contracts in that industry. The House did, however, before passing the energy bill by a 265-112 vote, clarify the right of representation of labor and consumer groups not only

on national energy policy making boards but also on state and local bodies as well.

Although House-Senate conferees completed action on a compromise energy bill which the Senate approved, the House immediately before the end-of-year recess rejected the conference report because it failed to retain the windfall profits provision of the original House-passed bill. The Senate had dropped its support of this provision because of a last minute filibuster by Senate conservatives that threatened to kill the bill. The conferees will resume deliberations when Congress returns in mid-January.

Anti-Inflation Controls

The 1973 national economy was plagued by an atmosphere of uncertainty as the result of the Administration's ever-changing economic policies. Despite the rapid succession of phases two, three and four, by years end the Administration had again failed to curb inflation which continued at an accelerated pace.

In early January 1973 the failure of the Administration's Phase II program was clearly evident as 1972 wholesale prices had increased at an annual rate of 7.1 percent—almost three times as fast as the President's 2.5 percent guidelines. The Administration then abandoned its partial stabilization controls in favor of a largely voluntary wage-price control system—Phase III. As its predecessors, the new controls failed to restrain the leading causes of inflation—the prices of raw agricultural commodities, interest rates and profits. Five months later the wholesale price index was spiralling at a yearly rate of 23.4 percent and consumer prices were increasing at an annual rate of 8.7 percent.

The President then scrapped Phase III and in its place announced in mid-June a temporary freeze of retail prices followed by a selective wage-price control system in mid-July. However, on the same day that this new Phase IV program was implemented, which again failed to control leading inflationary factors, major banks throughout the country, for

the tenth time in five months, raised their prime interest rates from 7-¾ percent to 8-¼ percent and by the end of the month the prime lending rate was at 8-¾ percent.

With year end economic statistics showing better than an 8 percent increase in the cost of living, a decline of more than 3 percent in the buying power of wages, after-tax corporate profits predicted to be at about 30 percent more than 1972 levels and interest rates continuing at their highest level in over 100 years, the 1973 AFL-CIO Convention voiced "no confidence" on the part of organized labor for "any system or program of controls based upon the perpetuation of special privileges and misguided incentives that breed inflation and distort the economy." Branding the Administration's stabilization program as "... unjust, unfair and inequitable ..." "... creating ... confusion, chaos and economic imbalance ...", the AFL-CIO urged that the control program "be ended and the nation returned to a fair and free economy" and called upon Congress to "take the steps needed to reverse the continued decline of our economy."

Earlier in the year, after President Nixon had requested a one year legislative extension of his economic control authority, AFL-CIO President George Meany had similarly called on Congress to correct the inequities in the Administration's stabilization program and thus avoid economic regression. But the chronology of legislative events was to once again end with Congress abdicating to the executive branch complete responsibility for managing the economy rather than assuming for itself its rightful role in the national economic policy-making process.

During March hearings on legislation to extend presidential economic control authority, President Meany, in reiterating organized labor's long-standing support for an evenhanded across-the-board control program, pointed to the gross inequities of Phases I and II of the President's economic game plan as representative of "the folly of giving the President blank check authority in this field." In urging Congress to "be explicit in the authority it grants the President on economic measures," and to "write into law what Congress deems fair and equitable"

Meany expressed organized labor's opposition to the extension of the President's authority unless Congress incorporated six provisions in the law which Meany stated would "correct the glaring inequities that have resulted from the Economic Stabilization Act."

Specifically, Meany urged:

- Exemption from controls of any wage increases for workers earning less than $3.50 an hour—the approximate annual $7,200 "lower budget" for an urban family of four established by the Labor Department.
- Imposition of temporary, direct controls on prices of raw agricultural products.
- Roll back of interest rates, imposition of interest rate ceilings and allocation of available credit.
- Re-establishment of rent controls to counter the sharp increases put into effect by landlords when the Administration announced in January it was dropping rent controls.
- A declaration that Congress intends to impose an excess profits tax to restrain the rise in profits so long as the wages of workers are controlled.
- Provision for a continuing congressional oversight review of Phase III to assure that fairness and equity will prevail.

On March 14 the Senate Banking Committee reported out a one year extension of the Economic Stabilization Act. The committee bill included a low-wage exemption provision, required public disclosure of basic corporate price increase information and authorized the President, in the face of a predicted fuel shortage, to allocate petroleum products in order to relieve shortage areas or prevent anti-competitive practices. On March 20 the Senate began debate on the bill.

During Senate debate numerous efforts were made to improve the new control authority provisions in the committee bill. Among these efforts was a labor-backed amendment introduced by Sen. Clifford Case (R-N.J.) which would reimpose Phase II rent controls in large metropolitan areas with vacancy rates of 5.5 percent or less. Although the Senate Banking Committee had rejected on a tie vote a similar rent control amend-

ment, the Senate, despite Administration opposition, approved the Case proposal by a 50-38 vote.

The Senate, however, tabled by a 45-41 vote a labor-supported amendment by Sen. Thomas McIntyre (D-N.H.) to freeze interest rates at March 16, 1973 levels. The Senate also rejected by a 21-66 vote a 90-day food prize freeze amendment offered by Sen. Frank Moss (D-Utah). Although the Senate approved by a 43-35 vote an amendment by Sen. John Tower (R-Tex.) to substantially weaken the corporate price information disclosure section of the bill, it later reversed itself, approving by voice vote an amendment by Sen. William Hathaway (D-Me.) to retain in effect the disclosure language of the committee bill. The Senate then passed the one-year extension bill by an 85-2 vote.

In a key vote on March 20, 1973 the Senate tabled the McIntyre amendment freezing interest rates.

Voting against the interest rate freeze 45
(Democrats 10, Republicans 35)

Voting to freeze interest rates 41
(Democrats 38, Republicans 3)

In the House, the Banking Committee on April 4 reported out its version of the extension bill, sponsored by Chairman Wright Patman (D-Tex.). The committee bill, strongly supported by labor, would have among other provisions: rolled back rents, prices and interest rates to January 10 levels; exempted workers earning under $3.50 hourly from any controls; imposed export controls on timber and lumber under certain conditions and required licensing of exports of other raw agricultural products; established a consumer counselor to represent consumer interests in wage and price proceedings by the government.

Opposition from some members of the House Rules Committee and predictions that the Patman bill would be soundly defeated on the House floor moved the Democratic leadership to propose a compromise, which the Rules Committee approved. The special rule would allow for consideration of the

labor-backed Patman bill while also making in order an amendment by Rep. Robert Stephens (D-Ga.) changing the effective date of price, rent and interest rate rollbacks from January 10 to March 16. When the House began consideration of the usually routine motion to accept the compromise rule, Southern Democrats aligned with Republican members to defeat it by a 147-258 vote.

On a key procedural vote on April 16, 1973 the House in effect voted down the labor-supported Patman economic stabilization bill.

Voting for equitable wage price controls 147
(Democrats 147, Republicans 0)

Voting against equitable wage price controls 258
(Democrats 76, Republicans 182)

The House then approved a Republican-backed substitute bill, opposed by labor, which simply extended existing presidential control authority for one year. Despite numerous attempts to amend the substitute bill to include the more stringent provisions of the committee bill, the House accepted only two substantive changes in the substitute measure. The most important was introduced by Rep. Fernand St. Germain (D-R.I.) requiring the Cost of Living Council (COLC) to grant a hearing to labor or management before issuing an order reducing wages and to make public any such order and related information. The House on April 16 approved the extension bill by a 293-114 vote.

In the conference which followed one day later, House conferees accepted the Senate provisions dealing with the low wage exemption, emergency presidential power to prevent fuel shortages, and corporate price increase information disclosure. Also retained in the conference report was the St. Germain COLC information disclosure requirement. Dropped was the Senate provision dealing with rent controls.

Final action on the conference report was delayed until April 30 after the Senate, on April 18, defeated, by a 31-35 vote, a motion to recommit the bill to conference. This was a last ditch attempt by Republic opponents of the conference report to eliminate the few effective provisions that had been added to the economic stabilization law. On April 30 the House and Senate approved the conference report and the President on the same day signed the one year extension of the Economic Stabilization Act into law—PL 93-28.

Tax Reform

The 1972 election campaign and continuing pressure by organized labor and other groups seeking major tax reforms returned this issue to the forefront in the 93rd Congress.

During House Ways and Means Committee hearings on tax reform legislation in March 1973, AFL-CIO President George Meany, while noting existing budgetary problems, rejected the Administration's "simplistic notion" that these problems could be solved by failing to enact vital social programs or by ". . . refusing to spend funds already provided by Congress for essential public investment." Citing sharp increases in corporate profits, Meany blamed the recession of 1969 and 1970, as well as the 1971 legislative "tax give-aways" as the major causes of budgetary strains. He reiterated labor's call for a "substantive program of tax relief" which would "completely wipe out anticipated budget deficits, make available billions of new dollars to meet national priority needs, provide the underpinning for a healthy and balanced economic expansion, and preclude the need for an across-the-board tax increase or a slashing of vital social programs."

In outlining labor's program for tax reform, Meany further urged that Congress reject "any and all tax devices and gimmicks that run counter to the goals of tax justice." He specifically denounced the Administration's value added tax proposal as nothing more than "a national sales tax" and condemned a tax credit plan to those sending their children to non-public schools as a "preferential tax subsidy". . . setting a dangerous precedent of providing tax relief to a particular group solely because it chooses not to use a particular public service."

Labor's seven-point tax reform proposal included elimination of: tax subsidies for corporations investing and profiting

overseas; business tax giveaways contained in the Revenue Act of 1971; special tax privileges for corporations in the oil, gas and other mineral industries; tax exemptions for interest income from state and local bonds; the maximum tax provision; and various tax avoidance devices and shelters benefitting only the rich. While also urging a major overhaul of federal, state and gift taxes, the AFL-CIO characterized its program as one which would "restore public confidence in the fairness of the tax structure and will put America back on the road toward tax justice."

In mid-May, following the Administration's so-called tax reform recommendations given on the last day of hearings before the Ways and Means Committee, the AFL-CIO Executive Council branded the program as "unacceptable" describing it as a "calculated attempt to preserve inequities and thwart any efforts towards the goal of tax justice." The council totally rejected one particular Administration proposal which would tax workers for employer contributions to their health, accident and disability plans. In criticizing other aspects of the Administration's tax plan, the council reiterated labor's proposal for tax justice which would result in a $20 billion revenue gain from closing loopholes instead of "a net loss of $600 million" under the Administration plan.

While the House Ways and Means Committee deferred action on the tax reform issue until it had completed deliberations on pending trade legislation and pension reform bills, an effort was made in early November to amend legislation increasing the public debt to include a major reform in the minimum tax provisions in existing income tax law. Included as part of a package amendment increasing Social Security benefits by 7 percent, the amendment, sponsored by Rep. Charles Vanik (D-Ohio) and Henry Reuss (D-Wis.) would have narrowed the minimum tax loophole raising $2.5 billion from wealthy individuals and corporations in order to offset the additional $2 billion necessary for the increase in Social Security benefits.

The Vanik-Reuss amendment, although rejected by the Ways and Means Committee during deliberations on the debt

increase bill, was approved by the Rules Committee which, in granting a special rule, would have allowed for consideration of the amendment during House debate on the debt increase bill. However opposition from the Ways and Means Committee resulted in the bill being recalled thus temporarily postponing House consideration. Almost immediately the Ways and Means Committee, under acting Chairman Al Ullman (D-Ore.), reported out a separate Social Security benefit increase bill while also promising an interim tax reform measure before the Christmas recess. As a result, the Rules Committee ordered the debt increase bill reported back to the House floor for debate under a closed rule whereby no amendments could be offered.

An effort by Vanik and Reuss to overturn the closed rule thus allowing for consideration of their minimum tax reform amendment failed by a vote of 274-135. The House on November 7 passed the debt increase bill and eight days later completed action on legislation increasing Social Security benefits by 11 percent. However, despite the earlier assurances, the Ways and Means Committee failed to report out an interim tax reform measure before the session ended.

About one month later during Senate debate on a pending Social Security increase bill, Sen. Edward Kennedy (D-Mass.) offered a minimum tax reform amendment which would have raised an additional $580-million a year in federal revenues from wealthy Americans by eliminating the existing deduction from preference income subject to the 10 percent minimum tax on earnings from tax sheltered investments. The Senate rejected the amendment by a 37-46 rollcall vote.

In a key vote on November 30 the Senate defeated the Kennedy tax reform amendment.

Voting for minimal tax reform 37
(32 Democrats—5 Republicans)

Voting against any tax reform 46
(16 Democrats—30 Republicans)

In the second session tax justice will be a high priority on labor's legislative agenda.

Trade

Over the past three years the AFL-CIO has repeatedly urged Congress to take immediate action to remedy the nation's increasingly serious foreign trade investment problems directly associated with the rapid growth of large U.S.-owned multinational companies and their export of American jobs abroad. These U.S.-based corporations have invested heavily in foreign countries and shifted major portions of their production for domestic markets to new plants overseas. These unrestricted practices have brought about an employment loss of hundreds of thousands of American jobs, the export of U.S. technology, the under-utilization of domestic plant facilities and subsequent decline in production output, all of which have resulted in a serious increase in the balance of payments deficits—a record $16.5 billion in 1972—and the continuing erosion of the economic base.

The AFL-CIO again put its full support behind the Foreign Trade and Investment Act introduced in the Senate by Sen. Vance Hartke (D-Ind.) and in the House by Rep. James Burke (D-Mass.). Designed to curb the outflow of U.S. jobs and technology by regulating the activities of the multinational corporations, the Burke-Hartke bill was endorsed by the AFL-CIO during House hearings on the trade problems as legislation which would provide ". . . a rational, logical and reasonable framework for attacking pressing trade problems . . ." and which would ". . . restore America's economic health, and regain a balance of international trade and investment."

As drafted, the Burke-Hartke bill contains a number of provisions specifically designed to save American jobs and production including:

- The closing of preferential tax loopholes which spur runaway production. These include ending the preferential tax treatment of foreign-earned profits by taxing them at the domestic U.S. corporate tax rate while allowing only a tax deduction rather than the existing tax credit for taxes paid to foreign governments by U.S.-based multinational companies.
- A "sliding door" quota mechanism to regulate the torrent of foreign imports which have decimated a number of domestic industries. The mechanism would guarantee U.S. production a fixed percentage of the U.S. market with foreign goods being awarded an annual import quota on a percentage basis according to the number of such units that entered the U.S. from 1965 to 1969.
- Presidential authority to regulate the outflow of capital, equipment, technology and patents whenever they hurt U.S. production and U.S. employment.
- Repeal of sections 807.00 and 806.30 of the Tariff Code, thus ending an abuse whereby U.S. companies assemble products in foreign countries and ship them into the U.S. as "Made in U.S.," paying only a minimum duty on the so-called "value added."
- An improved program to speed anti-dumping complaints and to provide relief to affected industries and workers.
- Modernization of the escape clause to make injury easier to determine and relief easier to apply.
- Improved procedures for collecting information on foreign trade and labeling. Among other things this would include the determination of the effect that foreign grants and loan programs would have on U.S. production and jobs.
- Establishment of a Foreign Trade and Investment Commission to administer the new program, bringing modern concepts and methods to its operations. Trade-related programs now in the Treasury, Commerce and Labor Departments would be placed in the commission.

Referred to the House Ways and Means Committee, it was not until May 1973 that hearings were begun on the trade issue. Prior to these hearings however labor representatives, in testifying before the Subcommittee on International Trade of the Senate Finance Committee in March 1973, again urged congressional passage of the Burke-Hartke trade bill while reiterating warnings of the continuing technological, capital and manpower drain directly resulting from the unregulated trade activities of U.S.-based multinational firms which labor once

again charged "are a major factor in the worsening position of the U.S. economy."

AFL-CIO spokesmen cited a recent agreement between the McDonnell-Douglas corporation and Japanese aerospace firms to export the Thor-Delta launch rocket and its entire missile launch system as symptomatic of the serious inroads being made into previous impenetrable U.S. industries. This agreement, labor charged, would amount to a giveaway "at a fraction of its worth"—of a rocket system ". . . developed at taxpayers expense . . . at a cost of millions of dollars in research and development . . . for the exclusive profit of McDonnell-Douglas." While undercutting U.S. defense and aerospace capabilities, the loss of this important aerospace component would, the AFL-CIO claimed, result in substantial job losses among highly educated and skilled aerospace workers, ad versely affect the U.S. balance of payments and, by putting another nation into direct competition with this country's satellite launching industry, mean "an end to development of further U.S. technology in this area."

Two months later the House Ways and Means Committee began what was to be a month-long session of hearings toward writing the first major trade legislation in 10 years. At these hearings AFL-CIO spokesmen, in view of job losses, ever worsening balance of trade deficits and related international monetary pressure on the U.S. dollar, urged "not just a revision of trade policies, but an entire restructuring based on the recognition that the concept of free trade versus protectionism . . . is badly out-or-phase with vastly changed world of the Seventies." In this context the Administration's trade proposal, which was little more than a broad grant of discretionary power to the executive branch, was soundly condemned by labor witnesses as "bad legislation . . . a patchwork of yesterdays answers for tomorrow's problems . . ." under which ". . . the heavy export of jobs, technology and capital will continue." In pointing to the need for a "positive policy that will put the well being of the U.S. and its people above all else" organized labor once again strongly endorsed the Burke-Hartke bill.

After almost five months of deliberation the Ways and Means Committee in early October reported out the so-called "Trade Reform Act of 1973." In completely disregarding the labor supported Burke-Hartke bill, the committee proposal, essentially the Administration's trade bill, would give the President sweeping and unprecedented authority to take whatever action he deemed necessary to "fight inflation" and end trade imbalances subject only to limited congressional veto power. In pointing to the economic chaos which had resulted because of a give-away of Congressional prerogatives in the national economic policy making area, organized labor charged that the bill was ". . . a similar dangerous abdication of congressional authority . . ." which could ". . . cause far-flung harm to U.S. industry, business, consumers and workers."

Among other negative aspects the legislation would allow the President to:

- Negotiate away non-tariff safeguards as "impediments" to trade endangering present laws on product safety, consumer protections, environmental standards and other domestic safeguards. Thus international trade agreements altering or eliminating these laws at the federal, state and local level would be packaged for presentation in such a way as to make rational evaluation by Congress impossible.

- Permit special "zero tariffs" on imports from so-called emerging nations such as Taiwan, South Korea, Singapore, Haiti and other low-wage enclaves which already have taken over huge segments of production of U.S. electronics, textiles, apparel, and shoes. This would encourage more U.S. industries to abandon U.S. workers and move production to these preferential areas.

- Negate the present weak laws concerning countervailing duty, escape clause, and anti-dumping. Additionally the President could immediately upon enactment, arbitrarily increase the imports of goods from any country, eliminate voluntary agreements, end import restraints and suspend laws now in effect.

For workers the bill would do nothing more than continue the federal dole of "adjustment assistance" for those injured by imports—a concept which is a proven failure at meeting the real problems of import damage for both workers and industry as only some 50,000 workers have received such assistance in more than 10 years.

At about the same time that the Ways and Means Committee reported out the bill, the AFL-CIO convention adopted in a comprehensive resolution on foreign trade the following critical summation of the trade legislation: "The trade bill reported out by the House Ways and Means Committee grants excessive power to the President. It provides no specific machinery to regulate the flood of imports. It does not deal with the export of U.S. technology and capital to other parts of the world where multinational corporations can maximize profits and minimize costs at the expense of U.S. production and jobs. It does nothing to close the lucrative tax loopholes for American-based multinational corporations which make it more profitable for them to locate and produce abroad. It does not repeal items 806.30 and 807 of the tariff code, which encourage foreign assembly and production of goods for sale in the U.S. Moreover, the bill permits continued extension of low-interest loans by U.S. government agencies to the Soviet Union." Concluding that the bill "was worse than no bill at all" the AFL-CIO urged Congress to reject the measure as ". . . a first step towards the consideration of new and effective trade legislation" in the next session of the 93rd Congress.

In late October the House Rules Committee granted a special procedural rule under which the committee bill would be debated by the full House. This special rule precluded the offering of amendments along the lines of the Burke-Hartke bill. During debate which began in early December, however, the AFL-CIO did support, while opposing final passage of the bill, an amendment by Rep. Charles Vanik (D-Ohio) prohibiting government-backed credits or loan guarantees to the Soviet Union unless it eased its restrictive emigration policies. By a 319-80 vote the House approved the Vanik amendment. Following other amendments the House, despite strong AFL-CIO

opposition to the trade bill, passed the Administration supported measure by a 272-140 recorded vote.

In a key vote on December 11 the House passed the Administration's trade bill, strongly opposed by organized labor.

Voting for the the trade bill 272
(112 Democrats—160 Republicans)

Voting against the trade bill 140
(121 Democrats—19 Republicans)

In the Senate, hearings on the trade bill are scheduled early in the second session. The AFL-CIO will continue to advocate trade legislation that will effectively halt the export of U.S. jobs, industry and technology.

Export Administration Act

In its resolution on international trade, the AFL-CIO Tenth Convention urged the government to "enforce the (trade) laws that now exist . . . and control exports of agricultural products and raw materials." In early September the House passed an amendment to the 1969 Export Administration Act expanding the President's export control authority, allowing him to impose controls to protect the domestic economy from an excessive drain of scarce materials or to reduce the serious inflationary impact of abnormal foreign demand. Under existing law the President could impose controls on exports only if both conditions existed. The AFL-CIO had urged that the bill be strengthened to include procedures which would automatically prohibit export of commodities in critically short supply.

The Senate Banking Committee considered the House-passed measure and chose to send to the Senate floor a bill that would extend the current law virtually unchanged. When the Senate takes up the legislation in the second session, the AFL-CIO will urge a number of improvements in this legislation.

Export-Import Bank

As part of the continuing efforts to promote a balanced U.S. trade policy, the AFL-CIO asked Congress to re-examine

the operation of the Export-Import Bank before passing legislation extending its life and raising its lending and loan guarantee authority by 50 percent. The government financed bank had originally been established to promote U.S. exports by providing low-cost loans to a foreign borrower as well as insuring or guaranteeing export credits extended by American firms. The AFL-CIO, during Senate Banking Subcommittee hearings, again cited the growth of U.S. based multi-national corporations and the resulting changes in the international economic situation and expressed fear that the U.S. jobs and technology may be among the exports that the bank had been financing.

The Subcommittee is continuing deliberations on the legislation.

Overseas Private Investment Corporation

Created in 1969, this government-owned corporation encourages U.S. private investment in developing nations mainly through insuring American corporations against financial losses abroad due to such political risks as currency inconvertability, expropriation, and damages from war, revolution, or insurrection. Many of the corporate overseas investments financed by OPIC have been in those areas where U.S. jobs and technology have been exported such as in the electronics, agricultural implements, sporting goods and leather industries. Thus, while not only offering indirect subsidies to these "runaway industries" OPIC, since its inception, has paid some $19.4 million on 14 claims with an additional potential liability estimated by a report of the Government Accounting Office (GAO) of $369.5 million.

During hearings by Senate Foreign Relations Subcommittee on Multinational Corporations investigating the activities of OPIC, the AFL-CIO urged a review of the role of OPIC in causing the loss of American jobs "at a time when the U.S. is undergoing high unemployment, high economic activity, deficits in its balances of payments and trade, and rapidly rising inflation." The AFL-CIO also urged that the subcommittee consider additional findings by GAO reports which found that

"OPIC primarily relied on vague certifications that projects were not adversely affecting U.S. employment" as well as the fact that "the U.S. balance of payments position was adversely affected" by activities of OPIC.

On October 17, the subcommittee issued its report recommending the eventual phasing out of OPIC insurance activities stating that the corporation was "at best, only a marginal contributor to the development of the poorer countries of the world and only a marginal stimulus to private investment in less developed countries."

The full committee on December 11 approved a 5-year phase out plan by which private insurance corporations will eventually assume the higher risk categories now insured by OPIC. The full Senate is expected to consider legislation in early 1974.

Impoundment

The 1905 Anti-Deficiency Act as amended in 1950 gave to the President a measure of authority to withhold congressionally appropriated funds for the purpose of promoting efficiency in government operations and spending and in order to effect savings where the expenditure of appropriated funds would clearly be wasteful.

However, the Nixon Administration, pursuing an economic philosophy of fiscal conservatism under the guise of curbing inflation, has impounded billions of dollars in congressional appropriations for vital social programs which it opposes but cannot otherwise eliminate through legislative means. These impoundments in housing, health, education and other such areas have averaged an estimated $11 billion yearly since President Nixon took office—$5 billion more than the average amounts impounded during the Eisenhower-Kennedy-Johnson years. Yet in these administrations the withholding of funds constituted for the most part spending deferrals rather than permanent impoundments with the funds impounded later expended.

In 1971 the AFL-CIO had branded the Administration's

impoundment of some $12 billion in funding as "a callous political device that victimizes the American people and disrupts vital national programs." In 1973, when the Administration continued its efforts to dismember social welfare programs by impounding nearly $21 billion in appropriated funds for various domestic programs, the AFL-CIO urged Congress to "take up the fight for the people" and turn back the Administration's "blatant attempt to reorder national priorities in reverse."

As a result of strong congressional opposition to the President's political use of his impoundment authority, labor endorsed legislation which was introduced in the 93rd Congress by Sen. Sam Ervin (D-N.C.) and Rep. Ray Madden (D-Ind.) which would give Congress the right to review and disapprove presidential impoundments.

In mid-April the Senate Government Operations Committee reported out the Ervin bill which required the President to notify Congress of all impoundments and release within 60 days impounded appropriations unless both Houses of Congress specifically approved the President's action. The legislation also set a spending limit on federal expenditures. During Senate debate on the bill in early May, Sen. William Roth (R-Del.) offered an weakening amendment reversing the responsibility for overturning impoundments by requiring Congress within 60 days to specifically disapprove the President's action. The amendment, opposed by organized labor, was defeated by an 30-58 rollcall vote, following which the Senate passed the anti-impoundment measure.

In the House, the Rules Committee in late June reported out the Madden bill but only as a temporary one-year legislative act. The measure, which included a spending ceiling provision, required ratification of presidential impoundments but contained a slightly different congressional review formula whereby impoundments would be blocked when either the House or the Senate voted to disapprove the action. During House debate on the measure in late July a number of Republican attempts to weaken the bill were narrowly rejected. The most serious of these efforts was an amendment offered by Rep.

John Anderson (R-Ill.) which, similar to the Roth amendment in the Senate, would have required disapproval of both the House and Senate in order to force the release of impounded funds. The House, however, rejected the Anderson proposal by a close 205-206 recorded teller vote.

In a key vote on July 25th the House rejected the Anderson amendment.

Voting to cripple the anti-impoundment bill 205
(30 Democrats—175 Republicans)

Voting against crippling the anti-impoundment bill 206
(199 Democrats—6 Republicans)

Following this and the defeat of other crippling amendments, the House by a 254-164 vote passed its version of the anti impoundment spending-debt ceiling legislation.

At the same time that the House and Senate were initially considering the anti-impoundment legislation, a joint House-Senate study committee on Budget Control filed preliminary recommendations on draft legislation designed to reform the way in which Congress handles the federal budget. In mid-April the study committee proposals were incorporated into budget reform bills introduced in both the House and Senate and, after extensive deliberations by the House Rules Committee, a budget reform bill was reported to the full House in mid-November. Simultaneously, a deadlock had developed between House and Senate conferees who were working on the anti-impoundment bill. Sharp differences had arisen concerning both the variances in the impoundment review procedures in the two bills as well as the one-year limitation in the House bill versus the more permanent procedure in the Senate bill. As a result of this and more importantly the fact that House sponsors of both the impoundment and budget bills viewed the impoundment review procedure as intrinsically tied to the question of budgetary reform, the House passed the anti-impoundment bill and was adopted as part of the Rules Committee bill on budgetary reform.

During House debate on the budget bill in early December, Rep. Anderson once again offered his amendment to weaken the anti-impoundment section of the bill. The House, however, defeated the amendment by a 186-221 recorded teller vote.

In a key vote on December 5 the House again rejected the Anderson amendment.

Voting to weaken the anti-impoundment section of the budget bill 186
(17 Democrats—169 Republicans)

Voting against weakening the anti-impoundment section of the budget bill 221
(210 Democrats—11 Republicans)

The House then passed the budget reform bill.

In the Senate, while the Government Operations Committee favorably reported a budgetary reform bill, the legislation has been referred because of overlapping jurisdiction to the Rules and Administration Committee where deliberations are continuing. (See Elections, Congressional Reform-Budgetary Reform.)

Manpower

Emergency Employment Act—In the face of continuing high unemployment, the AFL-CIO in 1973 renewed its support for this vital public service jobs legislation despite the continuing opposition of the Nixon Administration. In the two-year life of the program, total of over 300,000 jobs had been created for unemployed workers at the state, local and community levels of which many jobs led to better employment opportunities while at the same time providing communities with badly needed public services. The Administration, however, having vetoed similar legislation in 1970 but later in 1971 reluctantly signing the bill in a trade-off veto at the same time of an Accelerated Public Works bill, opposed any extension of the program requesting no funds for its continuation in its proposed fiscal 1974 budget. Instead the Administration sought the "de-

categorization" of all manpower programs combining them into a special manpower revenue sharing program whose budget was $342 million less than the total manpower budget for all existing programs of the previous year.

With the program scheduled to expire on June 30, 1973, legislation providing for a simple two-year extension of the program was introduced in the Senate by Senators Gaylord Nelson (D-Wis.) and Jacob Javits (R-N.Y.) and by Representative Dominick Daniels (D-N.J.) and Carl Perkins (D-Ky.) in the House. During hearings on the legislation, AFL-CIO spokesman strongly endorsed the legislation as "the most effective job-creating activity in the federal government's spectrum of manpower programs, "while condemning the Administrations so-called special manpower revenue sharing plans as a "cruel hoax on the unemployed, on economically disadvantaged youth, and on local officials" which would leave unemployment problem solving to "local governments that still cannot finance or service needs of their own communities." On April 10 the House Education and Labor Committee reported out the labor backed Daniels-Perkins bill authorizing $4.5 billion for the program over a two-year period.

One week later when the full House began debate on the bill, a conservative coalition of Administration Republicans and Southern Democrats led by Rep. Marvin Esch (R-Mich.) blocked by a 209-193 vote routine consideration of the committee bill thus making in order House consideration of the Administration supported manpower revenue sharing substitute bill. Because the Labor Committee had never considered this measure and as a result of widespread opposition to the program by organized labor and liberal congressmen, the House similarly rejected by a 245-157 vote any consideration of the substitute bill. Following this, Rep. H. R. Gross (R-Iowa) offered a motion to table thus ending at that time any further discussion of the jobs measure. The House approved this motion and the bill was referred back to the Labor Committee. On August 4 the committee reported out a simple one-year extension of the law. However later in the session when the Labor Committee reported out a comprehensive manpower bill

(see below) it included within the bill an expanded public service jobs program.

In the Senate the Labor and Public Welfare Committee on July 6 reported out the Nelson-Javits bill providing for a two year extension of the jobs program authorizing $1.25 billion in fiscal 1974 with an open-ended authorization in the following year. When the Senate took up the jobs bill on July 31, Republicans led by Sen. Robert Taft (R-Ohio) offered an Administration-backed substitute bill which severly cut back the funds and restricted the allocations formula for the program. The Senate rejected the Taft substitute by a 25-70 vote and after approving a number of minor amendments passed the jobs bill by a 75-21 rollcall vote.

Manpower Development and Training Act (MDTA)—Although funding authorization for this important labor supported employment and training program expired before Congress could complete action on legislation extending the life of the law, interim funding was provided for by a continuing resolution passed by Congress in late June 1973. Soon after, on July 6, the Senate Labor and Public Welfare Committee reported out a comprehensive manpower bill combining MDTA, the training provisions of the Economic Opportunity Act and other manpower programs into one, four-year statute. With little controversy the full Senate took up and passed the bill in late July by an 88-5 vote. While the House Education and Labor Committee in mid June reported out a one-year extension of MDTA which prohibited the use of these funds for the Administration's program of manpower revenue sharing, the committee later included a consolidation of this program in a comprehensive manpower bill reported out in mid-November.

Comprehensive Manpower Program—Organized labor has long supported congressional enactment of a comprehensive manpower program which would combine a number of existing jobs laws in order to better effect the goal of a full employment economy. In 1970 Congress passed such a comprehensive manpower measure only to have it vetoed by the Administration because of its opposition to a public service jobs title in the

bill. However 1973 saw the Administration renew its efforts to enact its version of a comprehensive program, so-called special manpower revenue sharing. The AFL-CIO strongly opposed this Administration scheme charging that it would "seriously endanger the entire federal manpower effort."

During 1973 Senate Government Operations Committee hearings on the Administration's revenue sharing proposals under its so-called "New Federalism" concept, the AFL-CIO reiterated its opposition. The AFL-CIO charged that the Administration's plans to slash budgets and dismantle existing categorical programs in manpower, housing, health education and other fields through special revenue sharing was simply "an abdication of responsibility" and not a means to promote efficiency in government. While praising the "laudable goals of increasing efficiency and eliminating waste" labor spokesmen pointed out that under the Nixon revenue sharing measures "many vital job-creating, public investment programs would be totally dismantled" while others would "simply disappear through general and so-called special revenue sharing consolidations which obscure the national purpose, limit the power of Congress to monitor or control the programs and make federal performance standards, civil rights guarantees and labor standards difficult to enforce."

Responding to these charges and those made by other public interest groups, the Senate in late July passed a comprehensive manpower bill which among other features consolidated a number of existing manpower programs at the local level, but which insured against unreasonable program cuts while maintaining strong federal guidelines and safeguards against abuses.

In mid-November the House Education and Labor Committee reported out a four-year comprehensive manpower bill under the bipartisan sponsorship of Representatives Dominick Daniels (D-N.J.) and Marvin Esch (R-Mich.). Seen as a major compromise between manpower objectives of the Nixon Administration and Congress, the labor-supported jobs legislation is designed to consolidate and streamline federal manpower programs scattered among the Manpower Development and

Training Act, the Economic Opportunity Act and the Emergency Employment Act—all of which had expired June 30. By giving state and local authorities responsibility for devising programs to meet local needs, the bill would decentralize the operation of jobs programs by allocating funds directly to approximately 550 "prime sponsors" instead of the current 10,800 separate contractors. However federal control would be maintained as program sponsors would have to meet statutory conditions and mandatory federal standards. The bill also included a reservation of funds for creation of jobs in areas of substantial unemployment. In late November the House took up the manpower bill and after defeating numerous amendments, passed the bill by a 369-31 recorded vote.

In conference a compromise was reached between the House-passed manpower bill and two Senate passed bills—public service jobs and comprehensive manpower. Conferees agreed to a four-year bill including a $250 million reservation in fiscal 1974 and at least a $350 million reservation in fiscal 1975 for the special labor-supported public service jobs program. On December 20 the House and Senate approved the conference report and eight days later President Nixon signed the bill into law as PL 93-203.

Public Works — Economic Development Act

Late in 1972 President Nixon for the second time in the 92nd Congress vetoed legislation increasing funds for extending the Public Works and Economic Development Act. Coming on the same day that he vetoed eight other pieces of legislation, the President in his veto message cloaked the Administration's fiscal conservatism with vague charges that the legislation was ". . . ineffective in creating jobs . . ." and would ". . . increase bureaucracy. . . ."

As a result Congress, in early June 1973, three weeks before the legislation was scheduled to expire, approved a compromise one year, $430 million extension of the law. Characterized as a "bare-bones" authorization, Rep. John Blatnik (D-Minn.), chairman of the House Public Works Committee, viewed the bill as essential in order to keep various economic development programs alive while Congress reviews federal efforts to improve the economic condition in underdeveloped areas. On June 18, President Nixon signed the one year extension bill into law as PL 93-46.

Northeastern Railroad Reorganization

Faced with a shutdown of seven bankrupt Northeastern railroads, including the Penn Central, and a resulting rail transportation crisis, the House and Senate in late December completed action on legislation consolidating and reorganizing the railroads into a profit-making government corporation. While initially authorizing yearly amounts for redesigning of routes, purchase of new equipment and administrative expenses of the new corporation, the rail bill also provided for the issuance of up to $1.5 billion in federally guaranteed bonds in order to raise additional rail funds.

The rail bill also included a number of provisions relating to the negotiation of new collective bargaining contracts as well as labor protection provisions including one guaranteeing long-term monthly compensation to rail workers with over five years of service and who either lost their job or suffered a reduction in pay because of the rail reorganization. The monthly compensation would, however, be limited in duration to the number of years the worker served prior to the reorganization, up until the age of 65, retirement or dismissal for cause. Although this and the other labor provisions were supported by rail labor and management, they proved to be the most controversial sections of the bill during debate on the legislation.

In the House Rep. Dan Kuykendall (R-Tenn.) offered an amendment to limit the compensation section of the bill to a maximum of six years. Thus workers having been employed for 10 years prior to the reorganization and who either lost their jobs or had salaries reduced could receive only six years of the monthly differential pay compensation. The amend-

ment, strongly opposed by AFL-CIO railway union affiliates, although initially adopted by voice vote was later defeated by a narrow 187-198 recorded vote.

In a key vote the House on November 8 rejected the Kuykendall amendment to but the worker compensation provisions in the bill.

Voting for the anti-worker amendment 187
(46 Democrats—141 Republicans)

Voting against the anti-worker amendment 198
(168 Democrats—30 Republicans)

A similar anti-labor amendment offered by Rep. Joe Skubitz (R-Kan.) was also rejected by a 148-245 vote.

In the Senate Sen. J. Glenn Beall (R-Md.) led the opposition to the labor protection provisions offering a key amendment to eliminate provisions protecting the income of workers affected by the rail consolidation, leaving the details of such problems to future "negotiations" with the new corporation. The Senate rejected this amendment in a key 37-59 vote.

In a key vote on December 11 the Senate rejected the Beall amendment to eliminate from the pending rail bill the worker protection provisions.

Voting for the anti-labor amendment 37
(5 Democrats—32 Republicans)

Voting against the anti-labor amendment 59
(48 Democrats—11 Republicans)

A motion to reconsider the Beall amendment offered by Sen. Lawton Chiles was similarly rejected by a 41-53 vote. The Senate also rejected by a 40-56 vote a similar crippling amendment offered by Sen. Norris Cotton (R-N.H.). On December 21 House Senate conferees reached agreement on a compromise rail reorganization bill which included the compensation provision. Following House and Senate approval of the conference report President Nixon signed the bill into law—PL 93-236—on January 2.

Alaskan Pipeline

In February 1973, the U.S. Court of Appeals for the District of Columbia blocked construction of an Alaskan oil pipeline designed to secure vast oil reserves discovered in 1968 on the Alaskan North Slope. Supply capabilities of the oil discovery were estimated at 10 to 12 percent of the annual U.S. oil consumption or one third of the current total U.S. oil imports. Although construction of the oil pipeline by a consortium of U.S. oil companies had already been delayed for two years pending completion of a Department of Interior environmental impact study, the judicial ruling, later upheld by the Supreme Court, disallowed the Secretary of Interior's approval of construction of the pipeline because it violated longstanding technical right-of-way restrictions relating to federal lands as contained in the 1920 Mineral Leasing Act.

As a result, legislation was introduced in the Senate by Sen. Henry Jackson (D-Wash.) and in the House by Rep. John Melcher (D-Mont.) which would authorize the Secretary of Interior to issue or renew right-of-ways across federal property when it was found to be in the public interest to do so and when the applicant for the right-of-way demonstrated that the use of the land would be protected against adverse environmental effects. The labor-backed bill in effect approved construction of the Alaskan pipeline, included stringent liability requirements for any environmental damage caused by the pipeline, guaranteed that the Alaskan oil reserves would be used first to meet domestic market needs and authorized the President to initiate discussions with Canada as to the viability of a second Canadian pipeline.

When the Senate took up the pipeline bill in mid-July Sen. Walter Mondale (D-Wis.) offered an amendment which would have delayed construction of the Alaskan pipeline for at least one additional year to further study the possible advantages of an alternate Canadian pipeline route. However, in view of the fact that the Canadian government had up to that time shown very little interest in a Canadian pipeline and that this pipeline would not be completed for at least 10 years versus

three years for the Alaskan pipeline, the Senate rejected the Mondale proposal on July 13 by a 29-61 rollcall vote. A controversy then developed over another amendment introduced by Sens. Mike Gravel (D-Alaska) and Ted Stevens (R-Alaska) which would bar court suits under the Environmental Protection Act designed to delay construction of the 789-mile-long pipeline. The amendment, approved by a 50-49 margin with former Vice President Agnew casting a tie breaking vote, simply stated that the bill and the two year environmental impact study on the pipeline had fulfilled the terms of the 1969 National Environmental Policy Act. After approving a Jackson amendment permitting the Federal Trade Commission (FTC) to go into court to stop unfair or deceptive practices as well as removing from the Office of Management and Budget (OMB) the power to screen and approve requests from independent and regulatory agencies regarding data from big businesses, the Senate on July 17 passed the pipeline bill.

In the House, the Interior and Insular Affairs Committee reported one week later its version of the bill sponsored by Rep. John Melcher (D-Mont.). When the House took up the bill on August 2, Rep. John Dellenback (R-Ore.) and Wayne Owens (D-Utah) offered an amendment which would have deleted language in the committee bill along lines of that approved by the Senate in the Gravel-Stevens amendment. The House however rejected this amendment and thus upheld the partial environmental exemption language by a 198-221 vote. Another amendment offered by Rep. Morris Udall (D-Ariz.) and John Anderson (R-Ill.) which was similar to the Mondale amendment previously rejected by the Senate was disapproved by voice vote. Following the approval of numerous other amendments, including one sponsored by Rep. Paul Cronin (R-Mass.) guaranteeing that U.S. workers would be given first priority over the 25,000 pipeline construction jobs, the House passed the pipeline bill by a 356-60 vote.

In conference efforts were made by Republican conferees to remove the labor supported FTC and OMB provisions which the Administration opposed. However these efforts

were unsuccessful and on October 31 House-Senate conferees approved the conference report. Taken up first by the House, Administration supporters, again principally Republicans led by Rep. Sam Steiger (R-Ariz.), sought to have the conference report referred back to conference with instructions to delete the controversial FTC-OMB provisions. However, the House rejected the Steiger motion in a key 162-213 vote.

In a key vote on November 12 the House voted to sustain the provisions of the conference report strengthening the independent regulatory agencies.

Voting against the conference report 162
(42 Democrats—120 Republicans)

Voting for the conference report 213
(158 Democrats—55 Republicans)

The next day the Senate by an 80-5 vote sent the bill to the President. He signed it as PL 93-153 on November 16.

Maritime Jobs

The Merchant Marine Act of 1970 established a 10-year program for the construction of 300 new cargo ships but required Congress to authorize construction subsidies on an annual basis. In late June 1973 Congress completed action on the fourth increment of funds authorized by Congress as part of the 10-year Merchant Marine Act of 1970. This fiscal 1974 Maritime Authorization bill allotted $531.3 million for maritime programs during the upcoming year including $275 million in subsidies for construction of 17 merchant ships. On July 10 President Nixon approved the authorization bill as PL 93-70.

The House Merchant Marine subcommittee began hearings on legislation requiring that a portion of all U.S. oil imports be carried in U.S. flag ships. Introduced by Representatives Leonor Sullivan (D-Mo.) and Frank Clark (D-Pa.) and cosponsored by more than 200 members of the House this maritime jobs bill has the strong support of the AFL-CIO and the Maritime Trades Department. Similar legislation has been in-

troduced in the Senate by Senators Warren Magnuson (D-Wash.) and J. Glenn Beall (R-Md.), but no hearings have yet been held on the legislation.

Space Shuttle Program

As a long time supporter of the United States' space program, the AFL-CIO in February 1972, strongly endorsed continued congressional funding for the development of a space shuttle. Pointing to vast, important scientific gains particularly in the fields of medicine, communications, meteorology and geodetic research which have been realized as a result of this program, the AFL-CIO labeled the space shuttle project as the "next logical step for the United States Space Program . . ." which, it was later estimated, would provide "an estimated 127,000 jobs over the next three years."

As a result of strong support for the space shuttle project, led by the International Association of Machinists, Congress in July 1973 authorized $475 million in fiscal 1974 for this program in the National Aeronautics and Space Administration Appropriations bill.

HOUSING AND THE ENVIRONMENT

Housing Moratorium — Impoundment

On January 8, 1973 the Administration announced a massive, multi-phased moratorium on federally subsidized low- and middle-income housing and community development which immediately froze funds for all new commitments for public housing, rent supplements, multi-family rental housing, homeownership housing, water and sewer facilities, open space activities and public facility loans. Not only were these direct housing assistance funds impounded, but also those funds needed to provide facilities and services supportive of non-subsidized, as well as subsidized, residential developments. Additionally as of July 1973, the model cities and urban renewal programs, representing the biggest commitment to inner-city revitalization ever made by the federal government, were also scheduled to meet a similar fate. In announcing this action the White House stated that the moratorium would remain in effect until Congress took action on the Administration's community development—special revenue sharing plan designed to replace existing housing programs.

Immediate reaction came from numerous congressional

spokesmen who charged that the moratorium constituted presidential "blackmail" in order to force action on President Nixon's revenue sharing proposal. The AFL-CIO, in urging the Administration to rescind the directive, cited repeated Administration promises to rebuild America's cities and charged that the White House had abandoned this goal as well as the long-standing national commitment of a "decent home for every American family." Labor spokesmen also expressed serious concern over the decreased role that non-profit sponsors of houses such as unions, civic groups, churches and other groups would play in the future of housing programs in America. Industry spokesmen meanwhile estimated that the moratorium would mean a loss of $16.5 billion and over 1.9 million man days in employment to the economy.

As a result of a strong labor and congressional opposition to the President's action, the Senate, in early August, added to a House-passed joint resolution extending the authority of the HUD Secretary to extend FHA mortgage loans and set FHA mortgage interest rates which had expired on June 30, a provision terminating the Administration's moratorium on low and middle income subsidized housing. The Senate also added to the resolution, which included an extension of numerous other housing related programs similarly suspended by the Administration, an amendment by Sen. Adlai Stevenson (D-Ill.) protecting low-income home owners from housing defects in FHA insured homes. Although House and Senate conferees did not have time to complete action on this anti-moratorium resolution before the August recess, Congress did send to the President a separate resolution extending the FHA loan authority through October 1 which the President later signed.

Following the recess, House and Senate conferees reported back an anti-moratorium resolution. However because of Administration opposition to the moratorium suspension as well as the Stevenson "homeowners" amendment, the House agreed to a motion offered by Rep. William Widnall (R-N.J.) to recommit, thus killing the bill by a 202-172 roll-call vote.

In a key vote on September 5, the House killed labor supported housing legislation.

Voting to recommit the housing bill 202
(41 Democrats—161 Republicans)
Voting against recommital 172
(158 Democrats—14 Republicans)

In a related development a federal U.S. District Court on July 23, ruled in a suit brought against the Administration's action, that the housing moratorium was unlawful and that the impounded funds would have to be spent as appropriated by Congress. This decision is currently being appealed by the Administration.

In early October, Congress concluded action on another joint resolution extending for one year the FHA Loan authority.

Housing and Urban Development

Five years of skyrocketing interest rates, building costs and land prices coupled with a concerted effort on the part of the Nixon Administration to eliminate all but a token federal involvement in the housing area, spurred the advent of a national housing crisis in 1973. With the median cost of a new home having risen approximately 38 percent since 1968—increasing from $24,700 to $33,700 by mid-July 1973, the median cost of existing homes nearly doubling during this same period and mortgage interest rates continuing to climb to record levels of almost 9 percent, the country faced a serious nationwide housing shortage as low- and middle-income Americans found it increasingly more difficult to purchase decent housing in 1973. These economic circumstances combined with presidential impoundments of congressionally appropriated housing funds further illustrated the Administration's lack of commitment to federal housing programs and compounded the already serious problems which brought on the housing crisis.

As a result congressional hearings were begun in early fall to determine the need for remedial legislation in the housing area. During House Banking and Currency subcommittee

hearings, labor representatives condemned the Nixon Administration's "abandonment of the nation's housing goals" and called on Congress for "strong leadership and decisive action" to overcome the housing crisis. In advocating the "continued federal support for increasing the supply of low- and moderate-income housing as the only viable method for assuring that all Americans are adequately housed" AFL-CIO spokesman denounced as "indefensible" the President's failure after 5½ years of study to develop a housing program for the nation. In view of his veto of minimum wage legislation, labor also questioned the President's "tortured logic" in which he declared that the nation's problem was not the lack of dwellings but a lack of income.

During testimony AFL-CIO witnesses also urged among other proposals that Congress:

- Assure an adequate supply of mortgage money at a reasonable interest rate so that all Americans have an opportunity to obtain decent housing.
- Control skyrocketing land costs.
- Direct the Federal Reserve System to allocate a significant portion of bank credit at moderate interest rates for housing mortgages.
- Urged that pension funds and bank trust accounts be required to invest a portion of assets in low- and moderate-income housing.
- Establish a national housing development bank as "a bank of last resort" for mortgage funds at interest not above the 6 percent rate that the Export-Import Bank charges for loans to other nations.

House and Senate committee deliberations are continuing on the housing legislation.

Water Pollution Funds — Impoundment

Despite the fact that Congress late in 1973 easily overrode President Nixon's veto of a four year, $24.7 billion Water

Pollution Bill, the Administration, charging that the expenditure of $11 billion allocated over the next two years to combat water pollution would cause "... tax increases and renewed inflation", announced on November 28, 1972 that it was impounding $3 billion of the $5 billion 1973 authorization and $3 billion of the $6 billion 1974 authorization. Congressional sponsors of the legislation condemned President Nixon's action as a "flagrant disregard" of congressional intent and which was clear indication of the Administrations "... half-hearted commitment to the cause of clean water."

On May 8, 1973 a U.S. District Court ruled in a suit brought by New York City and joined by Detroit, that the Administration was required to spend the funds allocated by Congress under the Water Pollution bill. This decision marked what was to be the third time in court suits that the Administration would be overruled by the courts in its refusal to spend funds for specific programs authorized by Congress in 1972. (See Jobs and the Economy—Impoundment)

Public Land Management

The lack of a coordinated and effective land use policy and decision making process has contributed to a number of national problems including pollution, rural decline, urban sprawl and resources depletion. As a result the quality of the environment has deteriorated, important public and private developments have been delayed and valuable economic and human resources have been wasted.

In response to this dilemma legislation was introduced again in the 93rd Congress by Sen. Henry Jackson (D-Wash.) which would provide for federal control of land use planning and management in an effort to reconcile the goals and problems of competing environmental, economic and social concerns. While establishing federal minimum guidelines as to the state formulation of land use policy, the bill would also establish within the Department of Interior a Bureau of Land Management which would coordinate as well as provide grants and technical assistance to states in the development of their

land use policies. The AFL-CIO strongly endorsed the Jackson bill as necessary in order to provide for "a quality life in a quality environment for all Americans."

Following hearings by the Senate Interior Committee, the Jackson bill was reported out and on June 18 the Senate began debate. Sen. Paul Fannin (R-Ariz.), resorting to the time-worn "states-rights" argument, introduced an amendment to cut $780 million from the $1 billion authorized in federal grants to be allocated to the states for assistance in the development of their land use programs. The Senate however, rejected the amendment by 27-57 rollcall vote. Similarly the Senate also defeated by a 44-52 vote a strenthening amendment offered by Sen. Jackson which would have withheld federal funds from states which failed to develop land use planning programs. Following this the Senate passed the Jackson bill.

Similar legislation has been introduced in the House and is currently awaiting action by the Interior Committee.

Regulation of Toxic Chemicals

At the present time there are over 2 million chemical compounds in use with nearly 250,000 of these potentially hazardous products manufactured each year. Many of these chemicals can be found in over 500 home and industrial products used daily by workers and consumers with some, most notably those containing mercurial and phosphate compounds, having already been found to have adversely affected both the public health and the environment.

As a result the House and Senate in late July 1973 completed action on legislation authorizing the Environmental Protection Agency (EPA) to control the sale and production of these potentially harmful chemicals. The Toxic Substances Control bill introduced in the Senate by Sen. Warren Magnuson (D-Wash.) and by Rep. John Moss (D-Calif.) required the EPA administrator to maintain a listing of potentially dangerous chemicals as well as to conduct pre-market testing of these substances to determine whether their production and distribution should be restricted. The legislation, which has the

strong support of organized labor, consumer and environmental groups, would permit citizen suits against alleged violators of the law.

House and Senate conferees are meeting to work out the differences in the two versions of the bill.

HEALTH, EDUCATION AND WELFARE

National Health Insurance

In 1973 the AFL-CIO continued organized labor's 30-year legislative effort to win adoption of a National Health Insurance system which would provide low-cost quality health services and comprehensive medical benefits to all citizens. Spiralling increases in health costs and lack of availability of adequate medical services has put quality health care beyond the reach of most Americans and labor has made the passage of National Health Security legislation one of its primary legislative goals in the 93rd Congress.

Early in 1973 Sen. Edward Kennedy (D-Mass.) and Rep. Martha Griffiths (D-Mich.) again introduced the National Health Security bill. At its February meeting the AFL-CIO Executive Council re-affirmed its support for the Kennedy-Griffiths measure as the "only one national health insurance bill before the Congress that would reverse the health care crisis and build a lasting delivery system that meets the needs of the people." Condemning as "thinly disguised special interest legislation" those bills supported by organized medicine and the insurance companies, the council and 1973 AFL-CIO Convention pledged that organized labor would "press unstintingly for the enactment of the National Health Security bill in this Congress."

Among the key provisions of the AFL-CIO-supported Griffiths-Kennedy bill are the following:

- Full payment of all physician and surgical services, including preventive care and physical examinations.
- Full payment of all hospital services, hospital-affiliated nursing home care, outpatient services and home health care.
- All medicines provided by a hospital or prepaid group practice.
- Other services including optometrists, podiatrists, pathology, radiology and ambulance.
- Dental care for those under 15, later to be extended to cover all ages.

Although referred to the Senate Finance Committee and the House Commerce Committee, no further action has yet been taken on the legislation.

Meanwhile, however, two members of the Finance Committee, Senators Abraham Ribicoff (D-Conn.) and Russell Long (D-La.) introduced the so-called "catastrophic" health insurance plan principally designed to federalize the state run Medicaid system and provide very limited medical insurance coverage for expenses due to serious illness. While costing an estimated $9 billion annually, financed through increases in Social Security and income taxes, it is estimated that the catastrophic plan would cover less than one million persons per year.

At its 1973 Convention the AFL-CIO soundly condemned the Long-Ribicoff proposal as "the antithesis of what a good health program should be" which would "do nothing to improve the chaotic health care delivery system or alleviate health manpower shortages or better distribute medical resources." Stating that catastrophic insurance would do "very little for the great majority of the middle income Americans . . ." such as "employes of small businesses and marginal employers who cannot afford more than minimal group health insurance

plans", the convention also cited numerous other shortcomings in the legislation such as: emphasis on in-hospital expenses while virtually ignoring diagnostic or preventive health care; adoption of the same ineffective cost and quality controls as in Medicare; and utilization of a catastrophic insurance plan which would result in a neglect of preventive and day-to-day care, thereby guaranteeing more catastrophic illness and higher medical bills. Characterizing the bill as nothing more than "an insurance program to passively pay doctor and hospital bills," the AFL-CIO again firmly endorsed the health reform provisions of the Kennedy-Griffiths Health Security Bill.

Health Maintenance Organizations

Based on labor's longstanding commitment to provide quality health care at an affordable cost for all citizens as well as its many years of successful experience with prepaid group medical plans, the AFL-CIO in the 93rd Congress again supported legislation which would provide federal funds to spur the nationwide development of prepaid medical service plans. These plans—health maintenance organizations—are designed to provide a comprehensive program of health services to the individual financed on a prepaid basis to a voluntary group in a specific area. Endorsing the HMO as a responsive alternative to the existing "fragmented, inefficient and ineffective system of health care," labor health experts have stated that among other advantages HMO's will ". . . use physical manpower more effectively . . . and provide quality medical care at lower cost as well as the organizational structure on which to build a national health program . . ." as envisioned in the Kennedy-Griffiths national health program.

Although the Senate in late 1972 passed legislation providing funding for HMO's, the House failed to act on the legislation. However, in mid-May 1973 the Senate by a 69-25 vote approved HMO legislation sponsored by Senator Edward M. Kennedy (D-Mass.) providing for a three-year, $805 million authorization for group health planning and which included funds for initial development expenses, construction costs, grants

and loans to meet operating deficits, and payments to enable the organizations to enroll indigent persons. During debate on the bill the Senate rejected three Administration supported amendments offered by Sen. Peter Dominick (R-Colo.) which were designed to substantially weaken the bill. Also included in the bill was a provision pre-empting state laws which prohibit the establishment of prepaid group practices.

In late July the House Commerce Committee reported out a five-year, $240 million HMO bill which the House took up in early September. Without amendment and with Administration support, the House by a 369-40 vote passed the HMO bill on September 12.

While House and Senate conferees were meeting to work out the differences in the two HMO bills, the AFL-CIO urged conferees to exclude both mental health care and child dental care from the list of mandated services making them instead optional services. Since private, profit and non-profit insurance carriers are not mandated to provide a specific package of health care services, to mandate such services would result in the HMOs becoming less competitive, being priced out of the health market, as a result of these additional mandated health services. In order to insure that lower paid workers might have equal access to HMOs, labor also urged that the secretary should be authorized to certify an HMO which provides such basic and supplemental health services which are reasonably competitive in scope and duration with any other health benefit plan offered by an employer.

Congress completed action on a compromise four-year $375 million HMO bill—the first such legislation to pass the Congress. In late December the House and Senate, in the face of the continuing opposition of the American Medical Association, approved the conference report and President Nixon signed the bill into law as PL 93-222.

Omnibus Health Program Extension Bill

The Administration renewed its efforts in the 93rd Congress to reduce government spending by eliminating vital social

programs, seeking initially to phase out five major health programs while drastically cutting back federal funding for seven others. The five major programs that were to be terminated under the President's budget proposal were: the Hill-Burton Hospital Construction Act; Community Mental Health Centers; Biomedical Research Training Grants; Regional Medical programs and the Public Health Service Hospitals.

The AFL-CIO Executive Council immediately denounced the President's proposed health budget as "crippling a host of programs which are vital to meeting the health needs of the American people." The AFL-CIO instead urged Congress to reject program cuts and to substantially increase funding for needed health services.

In late March the Senate by a 72-19 vote passed a $2.2 billion labor-supported omnibus health program extension bill sponsored by Senator Edward M. Kennedy (D-Mass.). The legislation in effect rejected the health budget cutbacks by providing for increased funding for all 12 health programs while extending for one year those programs which the Administration had sought to abolish. On May 31 the House passed similar legislation, sponsored by Rep. James F. Hastings (R-N.Y.) which authorized $1.7 billion for the continuance of the health programs. Since these programs were scheduled to expire on June 30, the Senate, following the recommendation of Senator Kennedy, agreed to accept the House bill thus avoiding the necessity of going to conference on the legislation. Despite the Administration's opposition to a number of these programs. President Nixon on June 18 signed the health programs extension bill into law as PL 93-45.

Public Health Service Hospitals

In the 93rd Congress the Administration renewed efforts to close down the Public Health Service Hospitals by not requesting new funding in the President's fiscal 1974 health budget. Strong labor and congressional opposition to this and other health program cuts proposed by the Administration resulted in congressional passage in early June of an omnibus health pro-

grams extension bill which, while providing funds for seven health programs which the Administration had sought to phase out, also extended for one year the life of five other programs including the public health service hospitals (see Omnibus Health Programs Extension bill). On June 18 the President signed this measure.

At about the same time the House approved an amendment to a pending Emergency Medical Services bill, introduced by Rep. Harley Staggers (D-W.Va.) which forbade the Department of Health, Education and Welfare from attempting any administrative phase out of services at the eight existing hospitals without prior congressional approval. In mid-July Congress completed action on the Emergency Medical Services bill which retained the language of the Staggers amendment. On August 1 President Nixon, calling the $185 million medical services bill "excessive" and stating flatly that the Public Health Service Hospitals had "now outlived their usefulness to the federal government," vetoed the measure.

The Senate, one day later, easily overrode the President's action by a 77-16 vote The House, however, on September 15 by a vote of 273-144 failed by five votes to obtain the two-thirds vote needed to override the veto.

In a key vote on September 5 the House failed to override the President's veto of Emergency Medical Services legislation:

Voting to override the veto 273
(227 Democrats—46 Republicans)

Voting to sustain the veto 144
(6 Democrats—138 Republicans)

Despite this vote, however, congressional proponents of the health service hospitals were not dismayed. Sen. Warren Magnuson (D-Wash.) offered the hospital amendment during Senate debate in early October on a pending military authorization bill.

Approving the amendment by a 52-19 vote the bill was sent to conference. In late October Senate-House conferees com-

pleted action and retained the hospital amendment. When the House took up the report opponents of the amendment led by Rep. William Steiger (R-Wisc.) invoked a procedure whereby non-germane amendments such as the Magnuson provision are subject to a separate vote. The House, however, by a 103-290 vote rejected a motion to delete this section. The Senate approved the conference report and President Nixon signed the bill on November 16 as PL 93-155. (see Foreign Affairs—Defense spending)

Elementary and Secondary Education Act

Dating as far back as the 1830's when the labor movement in its early years first endorsed free public education, organized labor has continuously sought an increased and expanded federal role in the nation's educational process. The passage of the landmark 1965 Elementary and Secondary Education Act (ESEA), which was designed to provide federal assistance to those school districts less able to finance their own equal educational programs, was seen as one of labor's most notable achievements in its efforts to improve the nation's system of education.

Since the passage of this legislation, Congress has continuously failed, however, to provide full funding for this labor-supported program, falling as much as 60 percent behind the annual funding goals established in 1965. This funding dilemma became much more serious as a result of three Administration vetos of Labor-HEW appropriations bills containing specific funds for the ESEA program. It is estimated that fiscal 1973 funding will be more than $70 million below in 1972 levels which had already been underfunded by some $3 billion.

During House Education and Labor Subcommittee hearings on legislation extending ESEA for five years, AFL-CIO spokesmen urged full funding of this vital education program in order to continue the federal effort to "narrow the gap in educational opportunities . . . and meet the special educational

needs of children from low-income families." Characterizing the extension legislation, sponsored by Rep. Carl Perkins (D-Ky.), as "specifically addressed to a series of carefully identified problem in American education," the AFL-CIO soundly condemned the Administration's education special revenue sharing proposal as "destroying one of the finest legislative achievements in the past 20 years" by "unweaving the entire fabric of federal aid to education as it is now designed."

Both House and Senate committees are continuing deliberations on the ESEA bill which is expected to be taken up in both chambers early in 1974.

Labor-HEW Funds — Education Appropriations

Although the President had previously vetoed three Labor-HEW appropriations bills, two during the 92nd Congress, the House and Senate moved forward in 1973 to adequately increase funding, particularly in education, in order that the nation might fulfill its goal of quality educational opportunity for all citizens.

For the first time in many years organized labor and the education and health lobbies fully supported the 1974 Labor-HEW Appropriations bill as reported out by the House Appropriations Committee on June 21, 1973. The bill appropriated a total of $32.8 billion for Labor-HEW programs—$1.26 billion over President Nixon's fiscal 1974 budget request and $3.6 billion more than the appropriations bill vetoed by the President late in the 92nd Congress. In education, the bill allotted a total of $6.1 billion or $892 million more than the President had requested.

When the House took up the appropriations bill in late June numerous Republican attempts were made to substantially cut both the total amount appropriated as well as amounts for individual programs. The most serious of these efforts was one by Rep. Robert Michel (R-Ill.) whose amendment to reduce the total appropriations by $631.6 million in a number of

health, education and economic opportunity programs was rejected in a key 186-213 rollcall vote.

In a key vote on June 26 the House rejected the Michel amendment which was opposed by organized labor.

Voting to cut Labor-HEW funding 186
(30 Democrats—156 Republicans)

Voting against a cut in Labor-HEW funding 213
(187 Democrats—26 Republicans)

Similarly, Rep. LaMar Baker's (R-Tenn.) amendment to cut funding for OEO by $100 million was also defeated by 110-288 recorded teller vote. (See Poverty Program—Office of Economic Opportunity). A last ditch effort by Rep. Earl Landgrebe (R-Ind.) to reduce the appropriations by $1.26 billion was easily defeated by voice vote. Following this action the House overwhelmingly approved the labor-backed 1974 Labor-HEW Appropriations Bill by 347-58.

In the Senate the Appropriations Committee on October 2 reported out a $33.3 billion Labor-HEW bill or $580 million more than the House passed measure. The Senate version allotted $6.44 billion for various education programs in fiscal 1974 representing an increase of $1.17 billion over the President's education budget request. Two days later the Senate, mindful of another possible presidential veto, passed the committee bill as reported by a 79-9 vote.

The conference report which followed appropriated $32.9 billion for Labor-HEW programs in 1974 including $6.2 billion for education. In an effort to avoid another presidential veto of the appropriations bill, the conference report included a compromise provision allowing the President to impound up to $4 million of the total amount in the appropriations measure. However, even if the President does impound the full amount authorized, the amount expended would still be $976.8 million over his initial budget request. On December 18 the President, despite his earlier threats of a veto, signed the bill into law as PL 93-192.

Veterans Educational Benefits

In view of the rapidly escalating cost of living and corresponding increases in the cost of higher education, the AFL-CIO again in 1973 supported an increase in GI Bill educational and living allowance benefits. In urging at least a 19 percent benefit increase the AFL-CIO cited a recently issued report by a private educational research firm authorized by the 1972 Vietnam Era Veterans Readjustment Assistance Act which concluded that the existing GI Bill program had fallen markedly behind its predecessor programs of World War II and the Korean War.

Legislation providing for benefit increases in this veteran program is pending before the House Veterans Affairs Committee. In the Senate legislation providing for a 23 percent boost in benefits sponsored by Senate Veterans Affairs Committee Chairman Vance Hartke (D-Ind.) is currently pending before the subcommittee on Readjustment Education and Employment.

School Lunch Program

For over 30 years Congress and the federal government have continuously supported funding for the school lunch and other free food programs for the nation's schools. The passage of the Child Nutrition Act of 1966 and the National School Lunch Act of 1970 substantially strengthened and expanded existing school lunch programs concentrating on school districts in low income areas while establishing both a school breakfast program as well as income eligibility requirements for participation in free food programs. Throughout this time labor has constantly supported these programs and urged increased federal spending in this important area.

Over the past three years the Administration has repeatedly sought a reduction, through various means, in the federal participation in these programs. These efforts continued in 1973 as the Agricultural Department by mid-February 1973 had spent only 65.5 percent of the funds available for federal commodity

purchases for the school lunch and breakfast programs as compared to 93.5 percent at the same time a year earlier. Congressional fears that this represented another in a long line of Administration efforts to withhold congressionally appropriated funds, resulted in overwhelming passage of legislation requiring the Agricultural Department to maintain its spending for federal commodity purchases for the two programs at the levels budgeted for fiscal 1973. On March 30, the President signed the bill into law, PL 93-13.

Later in the first session the House and Senate conferees completed action on legislation sponsored by Rep. Carl Perkins (D-Ky.) increasing the federal reimbursement rate for the school lunch program from 8¢ to 10¢ per meal while setting at 8¢ per meal the basic federal payment for each school breakfasts served. The legislation, which also included a cost-of-living escalator mechanism, marked the third increase in these payments in as many years and was prompted by reports that spiralling food prices would prevent thousands of school children from participating in the school lunch program because of the inability of many states to raise additional revenues in order to meet rising costs.

During initial House debate on the bill. Rep. Albert Quie (R-Minn.) was soundly defeated in his Administration-backed effort to maintain the federal subsidies at existing levels. On November 7 President Nixon signed the bill into law as PL 93-150.

Poverty Program Funding — Office of Economic Opportunity

In the 93rd Congress the Administration continued its efforts to completely eliminate the Office of Economic Opportunity (OEO) and the poverty programs administered by it. In his fiscal 1974 Labor-HEW budget request, President Nixon proposed abolishing the Office of Economic Opportunity (OEO) by transferring several OEO programs to other agencies and terminating federal funding of community action

agencies. The proposed poverty program budget, while requesting $143.8 million, included only $33 million for OEO-designated as so-called "liquidation" funds.

However, in mid-June when the House Appropriations Committee reported a $32.8 billion Labor-HEW bill, the committee increased the OEO budget by some $190 million. Later in the same month, during floor debate on the fiscal 1974 appropriations measure, the House accepted the committee's recommendation as it rejected a number of amendments to cut back OEO funding. The most serious of these efforts was an amendment by Rep. LaMar Baker (R-Tenn.), strongly opposed by labor, which would have slashed OEO funding by $100 million. The House rejected the amendment by a 110-288 rollcall vote.

In a key vote on June 26 the House rejected the Baker amendment to cut $100 million in poverty program funding.

Voting to cut poverty program funding 110
(20 Democrats—90 Republicans)

Voting against a cut in poverty program funding 288
(198 Democrats—90 Republicans)

Another amendment offered by Rep. Robert Michel (R-Ill.) proposing an across-the-board $631 million cut affecting some 26 health education and economic opportunity programs was similarly rejected in a key 213-186 vote (See Labor-HEW Appropriations—Education) Following this the House passed the Labor-HEW bill.

The following October the Senate, amid threats of another presidential veto, followed suit as it overwhelmingly passed without amendment a $33.3 billion Labor-HEW appropriations measure containing $358 million for OEO. The conference report which followed appropriated $32.9 billion while allocating $346.3 million for OEO or $202.5 million over the President's initial budget request. In order to avoid another veto, the conference report also included a compromise provision allowing the President to impound up to $400 million of

the $32.9 billion appropriated. However even if the President impounds the full amount allowed, expenditures will still exceed his budget request by $976.8 million. Despite his previous opposition to the bill President Nixon on December 18 signed the bill into law as PL 93-192.

Court Decision Prohibiting Dismantling of OEO

The Administration's effort to eradicate OEO and the poverty program did not end with its request for a "liquidation" budget. On a second front, former acting OEO Director Howard Philips began an administrative dismantling of various OEO programs by unilaterally transferring certain programs to other agencies and by simply closing down those programs opposed by the Administration.

However, on April 11, Federal District court Judge William B. Jones ordered Philips, in a suit brought by several AFL-CIO affiliated unions and OEO community action agencies, to halt his termination of OEO programs and declared Philips' orders concerning the dismantling of OEO null and void.

Legal Services Corporation

In 1965 when Congress created the Office of Economic Opportunity funds were allocated for the establishment of a legal services program designed to provide free legal help to poor people who could not otherwise afford such assistance. Since that time more than 2,200 poverty lawyers have served 500,000 clients annually in such areas as consumer affairs and landlord tenant relations and the success of this project has led to congressional efforts to expand the scope of the program through the creation of an Independent Legal Services Corporation separate from OEO. Although legislation to accomplish this purpose had been passed twice previously, a Nixon veto in 1971 and threats of another veto in 1972 negated these efforts.

In 1973 however bi-partisan, labor-endorsed legislation establishing the independent corporation was again introduced in the House by Representatives Albert Quie (R-Minn.) and Carl Perkins (D-Ky.). As reported by the House Education and Labor Committee on June 4 the measure established an 11-member presidentially appointed board to oversee the operations of the corporation and authorized $421.5 million over a five year period for its programs. On June 21 the full House took up the bill and, after passing 24 amendments severely restricting the activities of the corporation and its lawyers, the bill was approved by a 276-95 vote.

In the Senate the Labor and Public Welfare Committee on November 9 unanimously reported out legal services legislation sponsored by Senator Nelson (D-Wis.), Javits (R-N.Y.), Schweiker (R-Pa.) and Beall (R-Md.). The bill included a number of modifications of the House-passed restrictions on the political and lobbying activities of poverty lawyers. On December 10 the Senate took up the committee bill. Almost immediately opponents of the legislation, charging that the bill did not contain enough restrictions on poverty lawyer activities nor give state governments or local bar associations any control over local legal service programs, launched a filibuster against the bill. Led by Senators Jesse Helms (R-N.C.) and William Brock (R-Tenn.), two votes for obtaining the necessary two-thirds vote needed to invoke cloture and thus cut-off debate failed. As a result the legislation was deferred for action by the Senate until early in the second session.

Social Security Benefits

As a result of a more than 10 percent increase in the cost-of-living since Congress last increased Social Security benefits in 1972, Congress in December again passed legislation providing for a two step 11 percent increase in Social Security benefits.

As signed by the President on December 31 as PL 93-233, among other provisions, the bill includes:

- Increase of the Social Security payroll tax wage base from $12,600 to $13,200 in 1974.
- Increase of initial benefits to be paid by the wholly federal supplemental security income (SSI) program scheduled to replace federal-state welfare programs on January 1.

• Repeal of provisions in existing law that would deny SSI recipients federal food stamps and Medicaid.

• Suspension until 1975 of the Department of Health, Education and Welfare's controversial regulations on use of federal social services assistance funds by the states.

• Extension for 90 days of the existing program providing up to 13 weeks of additional federal-state unemployment benefits for workers in states with high unemployment rates who had exhausted their standard 26 weeks of benefits.

Welfare Reform — Social Services Regulations

In mid-February 1973 the Department of Health Education and Welfare announced the forthcoming implementation of newly formulated regulations regarding the availability and financing of various existing social services to welfare recipients and the working poor. Among a number of negative aspects the regulations would: severely limit the availability of day care and other services by sharply narrowing the income eligibility requirements; eliminate the responsibility of states to meet federal standards dealing with child day care programs; prohibit private contributions as matching funds for federally financed programs; and hamstring the states by burdensome and unnecessary documentation and recordkeeping procedures.

In reaction to this announcement AFL-CIO President George Meany, reiterated long-standing labor support for the use of federal funds for rehabilitation and preventative services so as to reduce welfare dependency, and strongly condemned the new regulations as "effectively reversing the congressional intent of over a decade to alleviate the social and physical ills which lead people into poverty."

As a result of strong opposition to the proposed implementation of these regressive standards by organized labor and numerous other interest groups, Congress approved in late December as part of legislation increasing Social Security benefits a suspension until 1975 of the Department of Health, Education and Welfare's controversial regulations on use of federal

social services assistance funds by states, giving Congress time to study the proposed new regulations.

Public TV

Since 1967 the AFL-CIO has continuously supported annual and increased funding for the Corporation for Public Broadcasting (CPB). This non-profit, non-commercial network has spurred the development of public broadcasting stations throughout a number of states and various metropolitan areas, and contributed greatly to the cultural and community awareness of the viewing public through its award winning educational and dramatic program presentations.

Although a labor-backed effort to provide the CPB with a two-year rather than one year funding authorization was vetoed in 1972 as the result of Administration opposition to a two-year funding bill, congressional support for the change in the funding formula was renewed as CPB administrators continued to seek this revision in order to allow for greater flexibility in the areas of program development, production and contracting.

The 93rd Congress in late July 1973 cleared for the President's approval a scaled down, two-year $110 million CPB authorization measure. Despite his action of a year earlier the President on August 6 signed the authorization measure into law as PL 93-84.

National Foundation on the Arts and Humanities

In 1965 Congress enacted legislation establishing the National Foundation on the Arts and Humanities which was given the authority to extend financial grants to individuals and groups in order to encourage and support endeavors in these two fields. Labor strongly supported the establishment of this foundation, as well as increased yearly appropriations for its activities to insure "that the benefits of our country's cultural wealth will belong to all its citizens . . . regardless of ability to pay . . ."

In early May 1973 the Senate passed a three year, $840 million authorization bill for the National Foundation sponsored by Sen. Claiborne Pell (D-R.I.). Six weeks later the House passed its version of the bill introduced by Rep. John Brademas (D-Ind.) allocating $145 million in 1974 with open ended authorizations for the next two years. The conference report later approved by Congress and signed into law as PL 93-133 by the President on October 19 allocated $597 million through 1976 for the continuation of the foundation's activities. In earlier action the President on October 4 signed into law, PL 93-120, a Department of Interior appropriations bill which appropriated $118.2 million for the foundation in fiscal 1974.

Vocational Rehabilitation

Showing a disregard for the need of the nation's handicapped, the Nixon Administration through two vetoes and repeated threats of a third veto forced eventual congressional acceptance of much weakened bill extending the 1968 Vocational Rehabilitation Act.

Early in 1973 Congress approved legislation similar to that pocket-vetoed late in the 92nd Congress which provided for a three-year, $2.6 billion authorization while creating a new program for handicapped persons for whom no vocational goal was possible. During House consideration of the legislation an effort was made by Rep. Earl Landgrebe (R-Ind.) to cut $720 million from the bill as well as restricting expenditures to the existing state grant program, both of which would have ultimately resulted in 48 of the 54 states and territories losing funds under the program. The House, however, rejected this amendment by a 165-213 vote on March 8.

As he had done five months earlier, President Nixon on March 27, labelling the bill as "spendthrift" and "as simply throwing money at problems . . .", again vetoed the vocational rehabilitation legislation. Despite the efforts of the AFL-CIO as well as other groups, the Senate on April 3 failed by a 60-36 vote to obtain the two-thirds vote needed to override a presidential veto.

In a key vote on April 3 the Senate failed to override President Nixon's veto of Vocational Rehabilitation legislation.

Voting for aid to the handicapped 60
(50 Democrats—10 Republicans)

Voting against aid to the handicapped 36
(5 Democrats—31 Republicans)

Following this, similar legislation with reduced spending levels was reintroduced and in early September House-Senate conferees completed action on a compromise two-year, $1.55 billion authorization bill.

During initial House debate on the new bill, Rep. Landgrebe again tried, but again failed to drastically cut further the budget authorizations for this legislation, despite the fact that the legislation was close to Administration budget proposals for this program, eliminated many new programs which the Administration opposed and had wide bipartisan support. On September 26, President Nixon signed the bill into law as PL 93-112.

Older Americans Act

Despite a presidential budget-cutting pocket veto of similar legislation late in 1972, the 93rd Congress in mid-April 1973 gave overwhelming approval to legislation amending and extending for three years the 1965 Older Americans Act. Although a much scaled down version of its predecessor, the 1973 extension bill allocated about $1 billion over a three-year period for continuation and expansion of various programs including; authorization of federal grants for training and research in the field of aging, gerontology centers and special transportation research projects; direct federal assistance to states and communities for social services programs for the aged; and establishment of community service employment programs for persons 55 years of age and older. Additionally the legislation created within the Department of Health Education and Welfare a Federal Council on the Aging to promote

the interests of older Americans in a wide range of federal programs.

During House debate Rep. Earl Landgrebe (R-Ill.), in an effort to make the bill more palatable to the White House, offered an amendment which would have severely undercut the existing programs of federal grants by requiring increased state participation in the program. Rep. Landgrebe's amendment, easily defeated by 329-69 vote, would have resulted in a drastic reduction in future federal participation in this vital program.

Despite his earlier veto and continued opposition to this legislation the President, in late April, signed the bill into law as PL 93-29.

CONSUMER PROTECTION

Consumer Protection Agency

At its 10th Convention in 1973, the AFL-CIO again supported long overdue passage of legislation to create an independent consumer protection agency "to represent consumer interest before other agencies of government . . . in such matters as rate fixing, safety and performance of consumer products and services . . . and with those agencies that enforce fair and honest business dealings with the consuming public." The AFL-CIO also urged that the agency have ". . . the benefit of a strong and competent representation of consumer views and not merely the heavy inputs of well-represented business views which have too often dominated the actions and inactions of such agencies in the past."

Although similar legislation had passed the House in the first session of the 92nd Congress, a Senate filibuster arising out of controversy over the scope and interventionary powers of the agency killed the legislation in 1972.

In 1973 House and Senate hearings were held on the legislation but no final action was taken by either house.

No-Fault Auto Insurance

In 1973 the AFL-CIO continued its efforts to secure congressional enactment of reform legislation establishing a nationwide system of no-fault automobile insurance. Introduced in the Senate by Senators Warren Magnuson (D-Wash) and Phillip Hart (D-Mich) and in the House of Representatives John Moss (D-Calif) and John Dingell (D-Mich), the proposed legislation is designed to replace the tort-liability aspect in auto accident compensation with first party no-fault auto insurance, thus guaranteeing accident victims immediate and fair compensation of losses by their insurance company without lengthy and expensive court proceedings in order to determine the party at fault. Reduced legal fees which would result from taking the auto accident suit out of court would mean reduced insurance costs, which would then be passed on to the policyholder in the form of lower premiums, improved insurance coverages and more equitable benefit payments.

During June Senate Commerce Committee hearings on this legislation, AFL-CIO spokesmen in reiterating labor's support for national no-fault, endorsed a number of minor improvements in the bill particularly the inclusion of provisions to insure that the motoring public would be able to purchase auto insurance at the lowest possible cost.

In late July the Commerce Committee with little opposition reported out the Hart-Magnuson bill. In order to avoid a repeat of what had sidetracked no-fault legislation in 1972 when opponents of the bill referred it during Senate debate to the Judiciary Committee where it subsequently died. the 1973 legislation was referred by prior agreement to Judiciary but with instructions to report the bill back to the Senate by mid-February 1974.

On the House side. a week of preliminary hearings was held in mid-November with full hearings tentatively scheduled for late February.

Consumer Warranties

The AFL-CIO at its 1973 Convention again called for congressional passage of legislation which would remedy the problems of meaningless and ineffective warranties on consumer products and induce manufacturers to honor their warranties in full. In the 92nd Congress the Senate passed a labor-supported warranty bill but the House Commerce Committee failed to report out a bill.

In the 93rd Congress the warranty legislation was again introduced in the Senate by Senators Warren Magnuson (D-Wash) and Frank Moss (D-Utah) and in the House by Rep. John Moss (D-Calif.). During House hearings on the Moss bill labor spokesmen urged speedy approval of the bill as well as the restoration of two key consumer suit provisions contained in the 1972 legislation.

While markup of the House legislation continues, the Senate on September 12 took up and passed by voice vote the Magnuson-Moss warranty bill. The major provisions of the Senate bill include a requirement that where manufacturers offer full warranties that they promise to repair or replace defects within a reasonable time limit and without charge. Additionally manufacturers would be required to define specific limitations on partial warranties as well as to differentiate between such warranties from full guarantees and would also be prohibited from the 1972 legislation allowing the FTC to seek temporary or disclaiming implied warranties. The bill also retained sections of permanent injunctions against deceptive or fraudulent business practices and to initiate court action to obtain specific redress for consumers affected by unfair trade practices.

Fair Credit Reporting

In order to protect consumers from arbitrary, erroneous and malicious credit information, Congress in 1970 passed the Fair Credit Reporting Act regulating the "credit reporting" industry and their collections of credit and personnel data. The act required, among other provisions, notification of consumers that

a credit investigation was being undertaken, allowed consumers limited access to the information collected and restricted the dissemination of such information to so-called authorized recipients. After two years, however, a number of abuses have been uncovered as credit investigating agencies have forced consumers to undergo rigorous procedures in order to gain access to their own files whereupon they are often given only an oral summary of the credit data collected which in many cases deletes pertinent information.

As a result Sen. Proxmire (D-Wis.), the author of the 1970 law, introduced in the 93rd Congress legislation amending the Credit Reporting Act so as to strength the consumer protections in the statute. Among other provisions the Proxmire bill mandates complete disclosure of all the information in an individual's file as well as its sources and entitles the individual to inspect his file personally and to obtain a written copy of it upon request. The bill would also require a person's written permission before a so-called "investigative" file could be compiled and would entitle the individual to know the questions to be asked and the likely sources to be contacted.

In urging favorable committee action on the bill, labor spokesmen stated that while "trading in people's reputations is at best a necessary evil . . . the primary owner of a reputation is the individual himself and he, of all possible 'users' of a personal report, has primary rights with respect to its use."

The bill has been referred to the Senate Banking Committee where it is awaiting action.

LABOR LEGISLATION

Fair Labor Standards Act

In 1938 Congress enacted the Fair Labor Standards Act regulating wages and hours of employes engaged in or producing goods and services for interstate commerce and prohibiting the shipment in commerce of goods produced by child labor. Since that time the law has been amended four times—in 1949, 1955, 1961 and most recently in 1966. During each of these efforts to raise and expand the coverage of the minimum wage, labor has been confronted by continuing and vehement opposition from the business community and those who represent its interests, principally conservative Republicans and southern Democrats. These forces were backed by strong White House support in 1972 and successfully frustrated AFL-CIO efforts in the 92nd Congress to upgrade the minimum wage law.

In 1973, Congress, in the face of rampant inflation and skyrocketing consumer prices, passed legislation raising the minimum wage to $2.20 and broadening coverage to the point where all major occupations would be covered by the law. However, this time a presidential veto roadblocked this three-year labor effort.

As a result of the failure of the 92nd Congress to complete action on labor supported minimum wage legislation, the AFL-CIO early in 1973 renewed its efforts supporting legislation introduced by Senators Harrison Williams (D-N.J.) and Jacob Javits (R-N.Y.) and Rep. John Dent, (D-Pa.). This legislation was substantially similar to the Senate-passed bill of a year ago. The non-agricultural wage levels in both bills were, however, updated in order to take into consideration the increase in the cost of living and the lapse of time since last year's legislation.

On May 15 the House Education and Labor Committee reported out the Dent bill making only one major change by providing for the phasing out the existing wage differential applicable to agricultural workers. On June 5 the House began debate on the bill.

As in 1972, Rep. John Erlenborn (R-Ill.) again introduced an Administration supported substitute minimum wage bill which, among other provisions, substantially cut and delayed minimum wage increases, provided for no new coverage, neither eliminated nor narrowed any of the numerous exemptions, and provided for a youth subminimum wage. Strong opposition from labor, civil rights and other public interest groups spurred House rejection of the substitute proposal in a key 199-218 vote.

In a key vote on June 6 the House rejected the labor-opposed Erlenborn substitute bill.

Voting to weaken the minimum wage bill 199
(50 Democrats—149 Republicans)

Voting against weakening the minimum wage bill 218
(181 Democrats—37 Republicans)

Rep. Erlenborn and other Republicans continued their efforts to undercut the committee bill by proposing separately individual sections of the defeated Erlenborn substitute. The most serious of these was by John Anderson (R-Ill.) which would have retained the youth subminimum wage provision of the Erlenborn bill. This effort was defeated by a 199-215 vote.

On another key vote on July 19 the House rejected the Anderson youth subminimum wage amendment.

Voting for a youth subminimum wage 199
(39 Democrats—160 Republicans)

Voting against a youth subminimum wage 215
(191 Democrats—24 Republicans)

While defeating most other labor-opposed amendments, the House adopted a 251-163 margin, an amendment introduced by Rep. Edith Green (D-Ore.) which deleted a labor-supported provision phasing out the current overtime exemptions for agricultural processing and other seasonal workers. After defeating a number of other amendments, the House passed the Dent bill by a 287-130 vote.

The Senate Labor and Public Welfare Committee reported out the Williams bill on July 6 and two weeks later the Senate began debate on the measure. As in the House a number of efforts were made to amend the bill led by Senators Peter Dominick (R-Colo.) and Robert Taft (R-Ohio) who proposed a substitute providing for minimum wage increases to $2.30 an hour ($2.00 an hour in the case of farm workers), adding minimum coverage for public employes, retention of all existing overtime exemptions and a subminimum wage for youth. The Senate in a 40-57 vote rejected this substitute strategy.

In a key vote on July 19 the Senate rejected the Labor opposed Dominick-Taft substitute bill.

Voting to weaken the minimum wage bill 40
(10 Democrats—30 Republicans)

Voting against weakening the minimum wage bill 57
(44 Democrats—13 Republicans)

Following the defeat of efforts to attach parts of the substitute bill to the Labor Committee bill made by Senators Buckley (R-N.Y.), Taft and Dominick, the Senate passed the minimum wage bill on July 19 by a 64-33 vote.

On July 27, House and Senate conferees agreed on a compromise bill generally along the lines of the legislation for which

the labor movement had worked. On August 2 the Senate by a 62-28 vote approved the conference report, as did the House the next day by a 253-152 vote. To avoid a possible presidential pocket-veto of the bill during the August congressional recess, the measure was not sent to the President until near the end of that month, thus giving Congress the opportunity to override any presdential veto.

As was anticipated, the President on September 6 vetoed the minimum wage bill charging that it "would give an enormous boost to inflation." President Meany condemned the President's action as "a callous, cruel blow to the worst paid workers in America" and pledged all of organized labor's resources to override the President's action. However, despite one of the most intensive lobbying efforts on the part of labor in recent years, the House on September 19 by a 259-164 vote failed to obtain the two-thirds vote necessary to override President Nixon's veto.

In a key vote the House sustained the President's veto on labor supported minimum wage legislation.

Voting to increase the minimum wage 259
(208 Democrats—51 Republicans)

Voting against increasing the minimum wage 164
(29 Democrats—135 Republicans)

Later in the first session Senators Taft, Dominick and J. Glenn Beall (D-Md.) again tried to gain Senate approval of the previously rejected, Administration backed substitute minimum wage bill by attempting to add the measure as an amendment to a pending energy-related bill extending daylight saving time. The Senate again rejected this effort, approving by a 55-29 vote a motion Warren G. Magnuson (D-Wash.) to table the amendment.

Pension and Welfare Plan Reform

As of 1970 pension plans in the U.S. covered an estimated 30 million workers and held assets totalling $129 billion. Yet, with the exception of the 1958 Welfare and Pension Plan Disclosure Act requiring certain minimal reporting on the structure

and operations of pension funds, no federal law exists regarding the operations of these plans particularly in the problematic areas of vesting, funding and reinsurance.

As a result, over the years a number of plant closings and business failures have resulted in thousands of workers losing either all or part of their vested pension rights—the most notorious case being the 1963 South Bend Indiana Studebaker plant-closing where 4,500 workers averaging 51 years of age and 23 years of service, received only 15 percent of their retirement benefits. A report issued by a Senate Labor Subcommittee in March 1971 further illustrated the need for federal legislation in this area in revealing that since 1950, 92 percent of the persons in plans requiring 11 or more years of service for pension eligibility and 73 percent of those in plans requiring 10 years or less did not qualify for pension benefits when they left their jobs.

The AFL-CIO for many years has sought the enactment of federal reform legislation which would among other provisions: bring administration of pension and welfare funds under federal standards of fiduciary responsibility; strengthen reporting requirements under the Welfare and Pension Plans Disclosure Act; establish fair and workable minimum federal standards for vesting and funding of pension funds with due regard for the differences between single-employer and multi-employer plans; and create a program of reinsurance to guarantee beneficiaries their rights under such funds.

In the 92nd Congress, Senators Harrison Williams (D-N.J.) and Jacob Javits (R-N.Y.) sponsored pension reform legislation which included a number of labor-supported provisions. Their bill was favorably reported by the Senate Labor Committee, but at that point the Senate Finance Committee claimed jurisdiction over some aspects of the subject. As a result, the bill was referred to that committee which thereupon reported its own substantially reduced version of the legislation. As the result of the wide range of differences between the two bills no further action could be taken before the 92nd Congress adjourned.

In 1973 the Senate Labor Committee again reported similar pension reform legislation sponsored by Senators Williams and Javits. While supporting many of the provisions in the Senate

Labor Committee bill, the AFL-CIO however urged the adoption of language that would recognize the difference between single- and multi-employer plans in so far as vesting and funding were concerned, provide improved vesting standards for single-employer plans and prohibit the use of pension reform as a vehicle to give a tax break to individuals with high incomes.

Referred again to the Finance Committee, a separate pension bill was reported in early August sponsored by Senator Lloyd Bensten (D-Tex.). This bill contained a number of provisions opposed by the AFL-CIO including: an inadequate vesting standard for single-employer plans; no provision for the necessary flexibility in multi-employer plans; an unreasonably stringent funding standard for multi-employer plans; a new tax loophole for wealthy individuals who can afford to save $1,000 a year toward their own individual retirement plan; a tripling of the present Keogh Act loophole which now allows doctors and other self-employed persons to contribute tax free up to $2,500 per year toward their own private retirement; and assignment of responsibility for administration to the Treasury Department instead of the Labor Department where regulation of laws affecting employe benefits should be. In mid-September the Senate scheduled debate on the two pension bills.

However, one day before the Senate was to begin debate on the pension reform issue, agreement was announced on a compromise bill worked out by members and staffs of the two committees in an effort to avoid the situation which had delayed passage of this legislation one year earlier. The compromise bill, however, retained a number of the objectionable features of the Finance Committee bill. Faced with legislation that had the unanimous support of the members of both the Senate Labor and Finance Committees, the Senate unanimously approved the compromise bill on September 19.

In the House, the Education and Labor Committee unanimously reported a bipartisan supported bill sponsored by Rep. John Dent (D-Pa.). At about the same time the Ways and Means Committee began consideration of legislation along the lines of the Senate-passed pension reform legislation. During that committee's deliberations the AFL-CIO indicated a strong

preference for the basic features of the Dent bill and criticized a number of features of the Senate passed bill including: the inclusion of two tax loophole provisions; administration of federal pension plan standards by the Treasury Department; failure to recognize, for vesting and funding purposes, the differences between single- and multi-employer pension plans; and failing to insure that reinsurance for multi-employer plans could be obtainable at an affordable cost.

Efforts to compromise the differences between the two committees' bills late in the first session were unsuccessful. House action on this issue is now scheduled for early in the second session.

Workmen's Compensation

The evolution of the Workmen's Compensation system in this country has resulted in a patchwork system of 50 different state laws, many of which completely fail to meet even the minimal needs of those victims of work injuries, disease or death. Labor, working with its state organizations, has for years sought major improvements in these state laws particularly a standardized compensation formula of 66⅔ percent of the injured workers weekly wage while disabled. However, experience has shown an unwillingness, lack of concern or complete inability on the part of the states to modernize their workmen's compensation programs. As a result the AFL-CIO has put its full support behind the enactment of legislation which would establish federal minimum standards for the 50-state compensation statutes.

In 1970 labor strongly supported as part of the Occupational Safety and Health Act a provision which set up a two-year study commission to investigate the need for such federal legislation. In 1972 the National Commission on State Workmen's Compensation Laws published its report which fully recognized the need for federal minimum standards legislation concluding that "the inescapable conclusion that state workmen's compensation laws in general are inadequate and inequitable." In concurring with the recommendations of the National Commission, the

AFL-CIO supported immediate enactment of such legislation rather than a three year delay as advocated by the study commission.

In June 1973 legislation was introduced in the Senate by Senators Harrison Williams (D-N.J.) and Jacob Javits (R-N.Y.) and a companion bill sponsored by Representatives John Perkins (D-Ky.) and Dominick Daniels (D-N.J.) designed to put into law the minimum standards recommendations of the National Commission. Among the important provisions of this labor backed legislation are:

- Universal coverage of all workers employed by private employers and public employes except those presently covered by the provisions of other federal statutes.
- Extension of protection to all injuries and occupational diseases which may be related to or arise out of employment.
- For all totally disabled workers or surviving dependents in death cases not less than two-thirds of the employe's average weekly wage subject only to a benefit ceiling, which will eventually rise to 200 percent of the state average weekly wage.
- Minimum benefits for total disability which would not be less than 50 percent of the state average weekly wage or the injured employe's average weekly wage, whichever is less. In addition. the standards would require minimum benefits upon death or for death following total disability to widows, widower, and surviving children.
- No time or dollar maximum limitation for either death or total disability payments or for medical care or rehabiltation services.
- Periodic adjustment of benefits so that persons who go on disability will have their benefits increased to reflect rises in state average weekly wage.
- Minimum standards for second injuries, qualifying periods, and a variety of procedural benefits including addition of legal fees to awards, legal assistance where appropriate to claimants, free choice of physicians, and protections of benefits against insolvency of employers or carriers.

The legislation also provides for approval of state plans by the Secretary of Labor only when such plans meet the standards provided for in the legislation and where these state plans are found not to be in compliance, the provisions of the Longshoremen's and Harbor Workers' Compensation Act will be applicable. Additionally the legislation authorizes $15 million per year for the initial three-year period following enactment of the legislation in order to assist the states in meeting their obligations under the law.

The bills have been referred to the labor committees of the Senate and House where they are awaiting action. The AFL-CIO has made enactment one of its major legislative goals in the 93rd Congress.

Mutual Aid Pact Repeal

Originally established by six major airline companies in 1958, this corporate financial alliance provides millions of dollars to airlines involved in a collective bargaining dispute which has resulted in a strike. This "management rescue" pact, which now includes 16 of the 19 major airlines, initially doles out 50 percent of a struck carrier's normal operating costs, graduated downward to 35 percent after four weeks and remaining at that level until the end of the strike. In 15 years this strike subsidization has amounted to over a quarter of a billion dollars.

More significantly however is the fact that this aid agreement has caused a dramatic increase in the duration of airline strikes. Because in many instances airlines have actually made profits during strikes due to huge payments from the mutual aid pact, the economic pressure on the struck carrier to resume bargaining is virtually non-existent. Thus since 1958 the average length of airline strikes has increased from 15 to over 100 days—four times the national average.

Despite this fact and the obvious deterioration of the collective bargaining process in this industry, the Civil Aeronautics Board (CAB) has repeatedly rejected the efforts of AFL-CIO affiliated unions to end this anti-union pact.

As a result legislation has been introduced in the 93rd Con-

gress which would ban the Mutual Aid Pact. Introduced by Senators Mike Gravel (D-Alaska), Hubert Humphrey (D-Minn.) and Walter Mondale (D-Minn.) and by Rep. Joseph Karth (D-Minn.), this legislation has been referred to the commerce committees of both the Senate and House. The AFL-CIO has given its full support to this legislative effort in order that true collective bargaining in the airline industry might be resumed and the rights of airline workers protected.

National Labor Relations Act: Non-Profit Hospital Employes

The National Labor Relations Act of 1935 guaranteed to most employes in industries affecting interstate commerce the right to organize and bargain collectively through representatives of their own choosing and prohibited certain unfair labor practices by employers. However, the 1947 Taft-Hartley Act, among other negative features, exempted from NLRA coverage the employes of non-profit hospitals. As a result over 1.3 million of these hospital workers are currently denied federal protection of basic organization rights now taken for granted by millions of other workers.

In 1972 labor supported legislation designed to reinstate under the NLRA coverage employes of non-profit hospitals was passed by the House but was blocked in the Senate Labor and Public Welfare Committee by Republican members who opposed the bill. In 1973 similar legislation was introduced in the Senate by Senators Alan Cranston (D-Calif.) and Jacob Javits (R-N.Y.) and in the House by Rep. Frank Thompson (D-N.J.). During Senate hearings on this legislation AFL-CIO spokesmen again urged congressional passage of this "long overdue" legislation in order that these workers might enjoy the same benefits as those now covered by the NLRA and be "on the same footing under the act as employes in proprietary hospitals whom the National Labor Relations Board in 1969 held to be within the protection of the act."

The Senate Labor and Public Welfare Subcommittee on

Labor has completed its hearings and the full committee is expected to consider the bill in the near future. On the House side no hearings have been held.

Prepaid Legal Services

The spiraling costs of legal services and increased demand among union members for such services spurred the passage of labor-backed legislation in the 93rd Congress which will facilitate the availability of prepaid legal service plans on a group basis through collective bargaining. This was the aim of legislation introduced in the Senate by Sen. Harrison Williams (D-N.J.) and in the House by Rep. Frank Thompson (D-N.J.) amending section 302(c) of the 1959 Labor-Management Reporting and Disclosure Act permitting for negotiations by union representatives in collective bargainng for employer contributions to trust funds established to pay for legal services for union members and their families.

When the Senate took up the Williams bill in early May 1973, Senators John Tower (R-Tex.) and Paul Fannin (R-Ariz.) attempted to amend the measure allowing employers in effect to refuse to discuss the issue of prepaid legal services in negotiations thus negating the purpose of the legislation. The Senate, however, rejected the Tower amendment by a 26-66 rollcall vote and following this approved the measure.

In a key vote on May 16, 1973, the Senate rejected the anti-labor Tower-Fannin amendment.

Voting to weaken the prepaid legal services legislation 26
(5 Democrats—21 Republicans)

Voting against the prepaid legal services legislation 66
(48 Democrats, 18 Republicans)

In early June during House debate on the Thompson bill, Rep. William Steiger (D-Wis.) offered an amendment similar to the Tower proposal, which the House rejected by a 223-177 rollcall vote.

In a key vote on June 12, 1973, the House rejected the anti-labor Steiger amendment.

Voting to weaken the labor-supported bill 177
(47 Democrats—130 Republicans)

Voting against the labor-supported bill 223
(176 Democrats—47 Republicans)

Rep. Delbert Latta (R-Ohio) also offered another amendment opposed by the AFL-CIO which would allow employes, their families or dependents to select attorneys of their choice—"open panel"—rather than those designated by the collectively bargained labor-management contract, "closed panel" plan. The effect of the amendment would be in many cases to seriously undercut the cost-control purpose of the group legal services concept. Despite labor's opposition the House approved the amendment and then passed the Thompson bill on June 12 by a 257-149 rollcall vote.

In conference, the Latta amendment was modified to allow the employer, the union and the workers in a prepaid legal services plan to select either an "open" or "closed" panel approach. This revision in effect maximized the so-called "freedom of choice" language of the Latta amendment so as to allow for the formulation of a prepaid plan which best suits the needs of the employes and the financial resources of the legal services plan. In late July the conference report was approved by Congress and on July President Nixon signed the bill into law as PL 93-95.

Labor-HEW Funds: Occupational Safety and Health

In 1973 organized labor renewed efforts to increase funding for the 1970 Occupational Safety and Health Act in order to secure an adequate inspection force necessary for the effective enforcement of the law. Statistics released by the Occupational Safety and Health Administration in 1972 had revealed that, with over 4.1 million facilities subject to inspection under the safety law and with an enforcement staff of just 300, it would take an estimated 170 years to inspect each facility at least once.

In May 1973 during House Appropriation subcommittee hearings on pending Labor-HEW appropriations legislation, AFL-CIO representatives urged increases in the OSHA manpower enforcement increment of the OSHA appropirations from the Administration's recommendation of $24.9 million to $56.1 million. This increase, AFL-CIO spokesmen stated, would allow for the training and deployment of 1,500 additional compliance personnel, which job safety experts have estimated are necessary for the enforcement of the 1970 Job Safety law. Despite these recommendations, however, the subcommittee cut by $518,000 the OSHA manpower funds recommended by the Administration, and in so doing reduced by one-half the 64 additional inspection positions which would have been created by the Administration budget recommendation. Agreed to later by the full committee, the House subsequently, on June 26 approved this action upon its passage of the $32.8 billion fiscal 1974 Labor-HEW bill which included a total of $69.8 millon for all OSHA programs.

In the Senate the Appropriations Committee in early October reported out a $33.3 billion Labor-HEW bill which allocated $73.4 million for the administration of the Job Safety law or $3.6 million more than the House-passed bill. The increase in the Senate Committee bill, later approved without change by the full Senate on October 4, would have increased to 1,100 the number of OSHA inspectors. The conference report later agreed to by House and Senate conferees appropriated some $32.9 billion for Labor-HEW programs in fiscal 1974. Included in this amount was $70.4 million allowing for an increase to 800 in the OSHA inspection force. On December 18, despite persistent Administration threats of another Labor-HEW veto, President Nixon signed the measure into law PL 93-192.

OSHA Enforcement—Regulations of Pesticides

In late June of 1973 the House Agricultural Committee reported out a five-year agricultural authorization bill which included language transferring from the Labor Department to the Agricultural Department the pesticide enforcement function provisions of the 1970 Occupational Safety and Health Act

(OSHA). The inclusion of this amendment in the Agricultural Act, strongly opposed by labor, was seen as a response to the issuance of recently formulated emergency standards prohibiting farm workers from entering areas sprayed with certain toxic pesticides.

During House debate on the farm bill in mid-July Rep. Bob Bergland (D-Minn.) offered a labor-supported amendment which blocked the transferral of this OSHA authority. By a 221-177 rollcall vote, the House approved the Bergland amendment.

In a key vote on July 16 the House approved the Bergland amendment preventing a weakening of the 1970 job and safety law.

Voting against weakening OSHA 221
(171 Democrats—50 Republicans)

Voting to weaken OSHA 177
(53 Democrats—124 Republicans)

As a result the final version of the bill as later signed by the President did not include this regressive provision.

Extended Unemployment Compensation Benefits

In June 1973 Congress, for the third successive year, passed as part of legislation extending the temporary federal debt ceiling, a labor supported amendment extending unemployment compensation benefits.

The 13-week extension of benefits will apply only in those states with unemployment of 4.5 percent or above. (See also: Jobs and the Economy—Energy Crisis)

Later in the first session as part of legislation increasing Social Security benefits, Congress again extended for 90 days the existing program providing up to 13 weeks of additional federal-state unemployment benefits for workers in states with high unemployment rates and who had exhausted their standard 26 weeks of benefits.

Food Stamps for Strikers

Anti-labor forces renewed efforts again in 1973 to deny food stamps to the families of striking union members. During House debate on a four-year agricultural appropriations bill, House conservatives succeeded in adding the anti-striker provision to a substitute amendment offered by Rep. Tom Foley (D-Wash.) designed to liberalize severely regressive food stamp eligibility regulations newly approved by the Agriculture Committee. Despite vigorous opposition of labor, Rep. Foley and other Democratic members, the House approved the food stamp ban sponsored by Rep. William Dickinson (R-Miss.) by a 213-203 vote.

In a key vote on July 19, the House approved the anti-labor Dickinson amendment disallowing food stamps to strikers and their families.

Voting against food stamps for strikers 213
(53 Democrats—160 Republicans)

Voting for food stamps to strikers 203
(178 Democrats—25 Republicans)

At this point Rep. Foley and his supporters urged the defeat of his substitute amendment but the House balked and approved the measure by a 210-207 vote.

In an effort to delete the anti-striker amendment, an alternative substitute to his amendment was offered to Rep. Foley's first amendment which tactically contained no mention of the food stamp program. This strategy was, however, thwarted as a procedural ruling made by Rep. William Natcher (D-Ky), who was presiding at the time, permitted Rep. Dickinson to again offer the striker ban provision as an amendment to the substitute measure despite the fact that it contained no language on food stamps. Dickinson's amendment was thus sustained for the third time by a 208-207 vote. A following effort to recommit the bill similarly failed and the House approved the bill by a 226-182 margin.

In conference House and Senate conferees failed to bring out a compromise bill for final consideration by both houses. Dis-

agreement arose between the House and Senate conferees over the striker food stamp ban which was not included in the original Senate Agricultural bill. As a result, the Senate, in an effort to resolve this dilemma, passed a substitute bill which was the original Senate passed bill with the amendments passed by the House and agreed to by the conferees. An effort to amend the substitute bill by Sen. Jesse Helms (R-S.C.) to include the anti-striker provision was defeated by a 58-34 vote on a tabling motion sponsored by Sen. Hubert Humphrey (D-Minn.).

In a key vote on July 31, the Senate rejected the anti-labor Helms amendment.

Voting to table the Helms amendment 58
(40 Democrats—18 Republicans)

Voting for the Helms amendment 34
(12 Democrats—22 Republicans)

Referred to the House the Senate substitute bill passed with little difficulty. Under a little-used parliamentary procedure the Senate bill was made a privileged motion under whch only one amendment could be added to the Senate-passed bill. This amendment, calling for more production by farmers, was offered by House Agriculture Committee Chairman W. R. Poage (D-Tex.). An effort by anti-labor conservatives to defeat the amendment in order to allow for consideration of the food stamp ban was rejected as the House approved the Poage rider by a 252-151 vote. The House and Senate on Aug. 3 approved the bill which was signed by the President as PL 93-86 on August 10.

Later in the same session Senator Helms again tried to add his anti-striker food stamp amendment onto a Social Security increase bill. The Senate again rejected this amendment by a 56-32 rollcall vote on November 29.

Federal Pay Raise

On the heels of the largest monthly increase in the consumer price index in 26 years—1.9 seasonally adjusted—President Nixon in early September announced the two-month deferral of a scheduled 4.7 percent October pay increase for federal workers. Marking the third time in as many years that the President has acted to defer or reduce a federal wage increase, the AFL-CIO, in the face of projected annual consumer price increase of better than 7 percent, urged Congress to override the President's action.

As the result of a provision in the 1970 federal salary reform act that allows either House of Congress to veto by majority vote a pay plan proposed by the President within 30 congressional working days of its transmission to Congress, the Senate Post Office and Civil Service Committee on September 25 reported a labor-supported resolution, sponsored by Senators Gale McGee (D-Wyo.) and Hirom Fong (R-Hawaii), which rejected the Administration plan to delay the pay increase.

On September 28, the Senate by a 72-16 vote, passed the resolution disapproving of the President's action.

Federal Labor Relations

For some years AFL-CIO affiliates having members employed in the federal government have been engaged in formulating and developing procedures to govern labor-management relations, so as to assure federal employes the same basic organizational recognition and collective bargaining rights that most employes in the private economic sector in the United States already enjoy. Unfortunately, the existing system, originally established under Executive Order 10988 by President John F. Kennedy, and presently functioning under President Nixon's Executive Order 11491 and 11616, has proved to be ineffective in many cases due to the lack of objective standards and requirements having the force of law which agency heads and representatives, as well as government unions and their representatives, are required to observe and carry out.

As a result the AFL-CIO in 1973 once again lent its support to legislation introduced in the Senate by Sen. Gale McGee (D-Wyo.) and sponsored in the House by Rep. Frank Brasco (D-N.Y.) which would replace the existing Executive Order system of labor-management relations in the federal service, with a

system having a statutory base, thus making it generally similar to that which applies in the private economic sector under the National Labor Relations Act. In testimony on this legislation before the Senate Post Office and Civil Service Committee, the AFL-CIO endorsed the bill as legislation which would "constitute a reasonable and workable system of labor-management relations in the federal service based on the rights of organizations and collective bargaining."

Both House and Senate committee deliberations on this legislation are continuing.

Public Employe Collective Bargaining

In the face of a fragmented and in some cases oppressive state-by-state public employe labor relations system, the AFL-CIO at its 1973 Convention reaffirmed its support of federal legislation which would guarantee the employes of state and local governments the right of self organization and collective bargainng, insure their right to strike and establish a mechanism for the disposition of unfair labor practices.

Although numerous bills dealing with the collective bargaining rights of public employes were introduced in each of the last two Congresses and brief hearings held in 1973 by the House Education and Labor Special Subcommittee on Labor, no final action has been taken.

Railroad Retirement

Late in the 92nd Congress the House and Senate by massive margins easily overrode President Nixon's veto of legislation providing for a temporary 20 percent increase in pension for 900,000 railroad retirees. The increase was made temporary, effective until June 30, 1973, so as to prod the 93rd Congress into providing a better financing formula for the program which, according to the commission on Railroad Retirement, would be bankrupted by 1988 unless remedial action is taken.

As a result Congress in June 1973 approved and the President signed a second railroad retirement bill, PL 93-69, which among other features provided for:

- Continuation of past increases in retirement benefits which would have expired as of June 30.
- Effective October 1973, reductions in employe contributions to the retirement fund from 10.6 percent to 5.85 percent—the same amount paid by most other workers for Social Security benefits—with an increase in the employer contribution from the matching 10.6 percent to 15.85 percent.
- Effective July 1974 retirement with full pension at age 60 for those with 30 years of service.
- Extended for one year the joint labor-management study committee in order to develop an actuarially sound financing formula for the future of the retirement fund and to submit its recommendations in a draft bill no later than April 1, 1974.

Postal Rate Increase

The 1970 Postal Reorganization Act not only created an independent, governmentally-chartered Postal Service Corporation but also gave to that agency, through its Postal Rate Commission, the power to increase postal rates subject only to a majority vote of disapproval by either the Senate or House within 90 days of submission of proposed rate changes to Congress.

In July 1972 the Rate Commission announced the implementation of the first phase of a 10-year rate increase plan which among other things immediately increased by 100 percent the mailing cost of second-class, nonprofit publications and periodicals. The result of this rate increase was to drastically curtail the publication of a number of labor union periodicals which along with other organizational publications fall within the nonprofit category.

The long term effect of the 10-year plan, a complex surcharge formula affecting both the per piece and poundage mailing costs in the nonprofit, second-class category, would be to boost the postal costs of union periodicals by over 800 percent thereby threatening the publications of a number of additional

unions. The International Labor Press Association, representing some 400 labor magazines and newspapers, had made these facts known during the commission's hearings on the proposed rate increases, but the rate had been set nevertheless.

Similar measures were introduced by Sen. Gaylord Nelson (D-Wis.) and in the House by Representatives Frank Hanley (D-N.Y.) and William Ford (D-Mich.), which would partially modify the catastrophic financial effect of the rate surcharge plan. In hearings on this legislation before the Senate and House postal committees, AFL-CIO spokesmen pointed to previous congressional rejection of such surcharge proposals, four times in the previous decade. AFL-CIO representatives charging that the plan was "unfair and regressive" urged the adoption of language which, while not affecting the total rate increase, would provide a U.S. Treasury payment of 50 percent of the surcharge while providing that nonprofit journals would pay only two-thirds of the applicable rate on the first 250,000 copies of an issue. The net effect would be to cut mailing costs under the proposed surcharge plan to less than half of the total rate increase.

On July 10 the House Post Office Committee reported out the Hanley bill with the labor-supported rate-reduction provision. However when the House took up the bill on July 23, Southern Democrats and conservative Republicans blocked by a 202-180 vote routine approval of the rule under which the bill was to be considered. This parliamentary maneuver postponed any further consideration of the legislation in 1973.

Metric Conversion

Although the Senate in 1972 passed legislation providing for the eventual nationwide conversion to the metric system of weights and measures, the House failed to take action before the 92nd Congress adjourned. As a result similar legislation was again introduced in 1973 by Sen. Claiborne Pell (D-R.I.) and Rep. John Dvis (D-Ga.).

During Senate and House hearings on this legislation, AFL-CIO spokesmen again took issue with a 1971 Bureau of Statistics report, authorized by Congress in 1968 and which was

the principal basis of the pending legislation. Labor representatives stated that the report ignored the strong objections brought by labor as to the cost to workers whose tools would become obsolete as well as the necessity for retraining which would be brought about by metric conversion. In urging that any legislation dealing with metric conversion provide "compensation and adjustment assistance to workers for the cost of tools, the costs of education and retraining, and other conversion transition costs" labor also endorsed the undertaking of a new study which would take into consideration "the serious economic ramifications of the proposed conversion on workers, industry, consumers and the American economy in general."

The House Science and Astronautics Committee reported in late October a compromise version of the Davis bill setting up a program of voluntary conversion but no action has yet been taken by the full House.

CIVIL RIGHTS, CIVIL LIBERTIES

Hatch Act

Passed in Congress in 1939, the Political Activity Act, commonly known as the Hatch Act, currently prohibits some 5.5 million federal, state and local government employes from participation in partisan political activities. Although a congressionally authorized study commission had in 1967 recommended easing exsting restrictive provisions regarding the political activities on government workers, Congress has yet to take affirmative action on any of these legislative proposals.

In the 93rd Congress legislation based on the recommendations of the 1967 study commission was introduced in both the House and Senate but hearings were not held on these proposals.

Meanwhile however, proponents supporting revisions in this law suffered a setback as the U.S. Supreme Court on June 25, 1973 by a 6-3 vote reversed an earlier District Court of Appeals ruling that certain sections of the Hatch Act were unconstitutionally vague.

At its 10th Convention the AFL-CIO again pledged its continuing legislative support for the necessary revisions in the

Hatch Act stating that "federal employes must be assured maximum freedom to exercise their political rights and responsibilities as citizens."

Federal Workers' Bill of Rights

Early in the 92nd Congress, extensive hearings held by the Senate Judiciary Subcommittee on constitutional rights uncovered frequent abuses by officials of the federal government of the right of privacy as well as other constitutionally guarded privileges guaranteed to federal workers. Although the Senate later passed labor supported legislation restricting government harassment of federal employes, the House failed to take action.

In the 93rd Congress similar legislation was again introduced in the Senate by Sen. Sam Ervin (D-N.C.) and sponsored in the House by a number of representatives. Among other provisions the legislation would: curtail the use of lie detector or any psychological tests; prohibiting coercion of federal workers to purchase savings bonds and to contribute to charitable campaigns; safeguard the rights of federal employes to decide whether or not to participate in outside activities; guarantee the right of representation at all levels of disciplinary actions and; limit financial disclosures. The legislation would also establish a special board of appeals and the right to judicial review in all cases involving disciplinary or other violations.

Although House hearings have been held on this legislation no final action has been taken. The AFL-CIO and its affiliated unions representing federal workers continue to seek enactment of this protective legislation in the current Congress.

ELECTIONS, CONGRESSIONAL REFORM

Congressional Reform

In the 93rd Congress reform-minded Democrats succeeded in enacting a number of significant reforms in both the policy making and procedure affecting consideration of legislation. Included among the most important of these reforms are the following:

- A requirement, on demand of one-fifth of the Democratic members present, providing for a separate and secret vote on each nominee for committee chairman assignment at the start of each Congress.
- A reduction from 26 to 23 of the members of the Democrats steering and policy committee which will consist of the Speaker, Majority Leader, Caucus Chairman, 12 members elected from 12 equal regions and 8 members appointed by the Speaker. This committee will make recommendations to the Democratic caucus and leadership regarding legislative priorities, party policy and other matters.
- A new restriction on the closed rule requiring a lay-over of four days before this rule can be sought or granted during which time if 50 Democratic members serving written notices that they wish to offer a particular amendment, a caucus must be called to decide if the Democratic members of the Rules Committee should be instructed to make the amendment in order.
- A requirement facilitating more open committee meetings by providing for separate roll-call votes to close any committee proceedings.
- Adding of the Speaker, Majority Leader and the Caucus Chairman to the select Committee on Committees—which is the membership of the Ways and Means Committee and which designates the Democratic membership of the various House committees.

Bolling Committee

In order to streamline the House committee system and thus more effectively expedite the legislative procedures of the House, a special select committee to review the House's committee structure and jurisdiction was established in late January 1973. Under the chairmanship of Rep. Richard Bolling (D-Mo.), the 10-man bipartisan committee was given a budget of $1.5 million for its two year examination of the House committee system which will include examining the structure, number and size of existing committees, the need to create new committees or eliminate old ones, as well as the proper role of subcommittees and rules on committee procedures.

In testifying before the Bolling Committee in October, labor representatives advocated a number of reforms which would enable the House to "modernize its structure. . . , reverse the trend toward executive domination of the government. . . ," and thus "return to the principle of tripartiteism as embodied in the Constitution." Among other recommendations, AFL-CIO spokesmen urged: a major overhaul of the House budgetary process; a reduction in the number of committees with consolidation and specialization of committee jursidictions; reassertion of House oversight responsibility; and better utilization of the legislative calendar.

With hearings continuing, the Bolling Committee is scheduled

to report its final recommendations concerning changes in the House committee structure by June 30, 1974.

Congressional Budgetary Control

Up until 1921 the Congress maintained undisputed power over the government "purse strings." In that year however because of the growing complexity of both government and economy, Congress passed the Budget and Accounting Act which ceded to the executive branch coordination over government spending and incoming revenue. Yet as the complexity of budgetary management further increased so did the power of executive branch and within 50 years Congress' role in the budgetary powers was reduced to little more than responding to the budget requests of the executive branch.

The result of this erosion of power has led to the virtual domination of fiscal policy making by the executive branch and an almost uncontested control over government spending for economic and social policies. Without the necessary tools, organization and knowhow and unable to effectively respond to impoundments of billions of dollars in appropriated monies or illegal administrative program cutbacks, Congress in the last five years has been forced to stand idly by while the Nixon Administration has undertaken a systematic dismantling of the programs of the Kennedy-Johnson years.

As a result of this erosion of power and the more recent budgetary confrontations between Congress and the Nixon Administration, the 92nd Congress authorized under legislation increasing the public debt (PL 92-591) a Joint Senate-House Study Committee on Budget Control under the co-chairmanship of Representatives Al Ullman (D-Ore.) and Jamie Whitten (D-Miss.). In early February the Study Committee reported its recommendations which among other features included a complicated mechanism for Congress to set overall ceilings on appropriations and spending for each fiscal year.

In mid April the committee's recommendations were incorporated into budget reform legislation introduced by Rep. Ullman in the House and by Sen. Sam Ervin (D-N.C.) in the Senate. In the House the Ullman bill was referred to the Rules Committee. During hearings on congressional reorganization AFL-CIO spokesmen in addressing this problem urged that Congress "set its own budget priorities" by establishing a separate budget committee, providing sufficient professional staff for budget deliberations and set a specific time table for consideration of appropriations measures within the context of an overall budget bill.

After extensive deliberations and major revisions in the Ullman proposal, the Rules Committee in mid November reported out a budget which included an anti-impoundment mechanism previously passed by the House in separate legislation. In House debate on the bill in early December only minor changes were made in the budgetary reform provisions of the bill. However a major controversy arose over Title II—the anti-impoundment provision—as the House rejected two gutting amendments, one offered by Rep. John Anderson (R-Ill.) and another by Rep. Richard Mallary (R-Vt.). The Anderson amendment would have required passage of a concurrent resolution to overturn a presidential impoundment by both the House and Senate rather than by one or the other as provided for in the bill. The House however rejected this effort in a key 186-221 vote (see Jobs and the Economy—Impoundment). In an identical vote the House also defeated the Mallary amendment delaying the effective date of the impoundment provision by two years. The House then by a lopsided 386-23 vote passed the bill on December 5.

Entitled the Budget and Impoundment Control Act of 1973 the legislation first establishes a new House and Senate Budget Committee with the House committee having 23 members, five each from Appropriations and Ways and Means, eleven from the membership at large, and one each from the party leaderships. Additionally a Legislative Budget Office would be established to serve both Budget Committees as well as all Members and Committees. While changing the fiscal year to run from October 1-September 30 with a timetable to curb the need for continuing resolutions, the bill then establishes a timetable for considering appropriations bills whereby:

- A budget resolution would be adopted by May 1 each year, setting spending targets for the total budget and for each major functional category with no restriction on floor amendments to this budget resolution.
- The House Appropriations Committee would report appropriation bills only after it had completed action on all such bills. No change would be made in floor considerations of appropriation bills until after it had completed action on all such bills. Bills which exceeded target budget would not be sent to the President until the congressional budgetary process was completed.
- By September 15, Congress would adopt a final budget resolution although revisions would be permissible any time in the fiscal year. The resolution may call for the Appropriations Committee to report decisions or amendments in appropriations, or for the Ways and Means Committee to report tax changes.
- Legislation required to implement the final budget resolution would be in a budget reconciliation bill which Congress must adopt prior to adjournment.

Authorizing legislation would have to be enacted before April 1 unless an emergency situation arose. Backdoor spending (such as mandatory spending for Black Lung Benefits, contract authority for housing or water pollution control, and permanent appropriations for Revenue Sharing) would have to be funded through the appropriations process. Trust funds and guarantees or insurance programs would be acted upon in their present manner. Existing backdoor spending would not be affected until October 1978.

On the Senate side the Government Operations Committee has reported a budget reform bill which has been referred to the Senate Committee on Rules and Administration.

Campaign Financing Reform

Although Congress had passed a significant campaign financing reform bill in early 1972, the shocking revelations of the Watergate scandal, including self-admtted illegal campaign contributions to the Nixon campaign fund by various corporations, led Congress back into the campaign reform issue in 1973. In late July the Senate, passed legislation sponsored by Sen. John Pastore (D-R.I.) tightening existing campaign financing restrictions principally in the areas of expenditures, contributions and reporting requirements.

During debate on the measure the Senate took up and passed a number of amendments to the bill which had been reported out of the Senate Rules Committee two weeks earlier. Two of these amendments directly affected the political activities of organized labor. The first was an amendment by Sen. Lloyd Bentsen (D-Tex.) which reduced the $5,000 congressional and $15,000 presidential campaign contribution ceilings in the committee bill to $3,000 for both. The amendment, supported by labor, was easily approved by a 72-21 vote. The second amendment, offered by Sen. William Proxmire (D-Wis.) would have deleted language in the committee bill repealing an existing statute prohibiting both labor unions and corporations with government contracts to solicit voluntary political contributions as do other similar organizations without such contracts. Although the House in 1972 had passed an amendment similar to the Rules Committee language on this apparent discrepancy in federal election law, the Senate had failed to take action on this program. The Senate rejected by a 38-51 rollcall vote the Proxmire amendment thus retaining the committee language on this issue.

In a key vote on July 27 the Senate defeated the Proxmire amendment which would have forbidden campaign contributions by labor unions holding government contracts.

Voting against legitimate union political activities 38 (24 Democrats—14 Republicans)

Voting to allow legitimate union political activities 51 (27 Democrats—24 Republicans)

Following four days of debate on the campaign reform bill the Senate, on July 30 passed the measure by an 82-8 rollcall vote.

As passed by the Senate the Federal Election Campaign Act Amendments of 1973 includes the following major provisions:

- Limits expenditures by candidates in most states to 10 cents per voting age constituent in a primary election and 15 cents per voting age constituent in a general election. In small states, there would be a minimum ceiling of $125,000 in a primary and $175,000 in a general election. For House candidates, there would be a minimum ceiling of $90,000 in a primary and $90,000 in a general election.
- Limits expenditures by a candidate and his immediate family in behalf of his campaign to $100,000 a year for presidential candidates, $70,000 a year for Senate candidates, and $50,000 a year for House candidates.
- Prohibits an individual or political committee from contributing more than $3,000 each to a candidate for a primary, run-off or general election and restrictions individual contributions to $25,000 per year to all candidates in all federal elections.
- Mandates each candidate to designate one political committee as his central campaign committee, to file all financial reports through it and requires that all contributions of more than $3,000 received from political party committees after the last reporting date before an election be reported to the Federal Elections Commission within 24 hours of receipt.
- Creates a Federal Elections Commission having appropriate punitive powers to receive financial reports from candidates and campaign committees and to enforce the law against violators.
- Repeals Section 315 of the Federal Communications Act of 1934 which requires that any broadcaster offering time to one candidate for federal office must make it available to all candidates for the same office on the same basis.
- Repeals the prohibition on indirect campaign contributions by labor unions or corporatons that hold government contracts.
- Requires that no contribution of more than $50 can be made in cash.

- Exempts the Democratic and Republican National Committees, the Democratic and Republican Congressional Committees, and a candidate's own central campaign committee from the contributon limitations.

The House Administration Committee is continuing its hearings on campaign reform legislation similar to that passed by the Senate.

Public Financing of Elections

Continuing revelations of Watergate-related, illegal campaign contributions in the 1972 election, spurred congressional legislative efforts in 1973 to provide for complete federal financing of all campaigns for federal office. During Senate subcommittee hearings on the legislation, AFL-CIO spokesmen, in restating labor's longstanding support for the federal financing concept since 1956, charged that "the confidence and trust that citizens in a democracy must have in their government had been shaken to its very core by Watergate and related scandals." Declaring that ". . . America's political system has been corrupted beyond belief by money . . ." labor representatives urged enactment of federal financing legislation which would put an end to campaign contributions—"the seedbed of political corruption."

While hearings continue in both the House and Senate, an effort was made late in the first session to attach an amendment providing for federal financing of presidential election campaigns on to legislation increasing the public debt. Although initially passed by the Senate, the House rejected the amendment as non-germane to the debt limit bill and sent the legislation back to the Senate without the public financing rider. An effort to once again attach a modified version of the amendment providing for public financing of presidential elections was filibustered and after numerous cloture votes failed, the amendment was dropped.

Electoral Reform

Legislation amending the Constitution by abolishing the Electoral College and thus providing for the direct popular elec-

tion of President and Vice President was again introduced in the 93rd Congress. Although the House in 1970 had passed this constitutional amendment, a Senate filibuster killed the legislation.

In October during Senate Judiciary subcommittee hearings on the proposal sponsored by Sen. Birch Bayh (D-Ind.), the AFL-CIO reiterated its belief that the amendment "would make far more workable our constitutional system of government." Labor spokesmen urged, however, that in cases where no candidate receives a plurality of at least 40 percent of possible vote, that a run-off election be held between the top two candidates rather than utilizing an alternative electoral unit vote procedure as provided for in the Bayh bill.

Although the Subcommittee on Constitutional Amendments has concluded its hearings, it has not reported legislation to the full committee.

National Voter Registration

Organized labor has always believed that all eligible voters should be encouraged to take part in the electoral process which selects the public officials who make the decisions that affect their lives. The AFL-CIO has long urged the revision of outmoded and arbitrary state registration and residency requirements, unnecessarily stringent rules relating to absentee voting, and other archaic voting laws designed to discourage, rather than encourage, the right to vote. Such voting barriers contribute in part to the shockingly low voter turnout in the last elections. In 1972, 139.6 million Americans were over 18 years of age and eligible to vote in the presidential election. 44.6 percent of these—62 million citizens—did not vote. Of these, 40 million were not even registered. Election experts estimate some 17 million of the unregistered could have registered but simply didn't bother.

In the 93rd Congress legislation was introduced in the Senate by Sen. Gale McGee (D-Wyo.) and in the House by Rep. John Dent (D-Pa.) which, among other provisions to facilitate increased voter registration, would establish within the Census

Bureau a National Voter Registration Administration to conduct a nationwide federal voter registration program through the use of postcards. In 1972 similar legislation was roadblocked in the Senate as the result of a successful filibuster by Republicans and southern Democrats whose opposition stemmed from fears that the bill would increase low income and black voter participaton. In late March, however, following hearings in which the AFL-CIO again testified in support of the legislation, the Senate Post Office and Civil Service Committee reported out the bill.

When the Senate began debate on the measure on April 10, opponents of the legislation, failing in their efforts to cripple the bill, began a filibuster designed to kill the legislation. Four weeks later and after two initial cloture votes failed, the Senate on May 9 mustered the necessary two-thirds votes needed to invoke cloture and broke the filibuster by a 67-32 rollcall vote.

In a key vote the Senate adopted a motion to invoke cloture and thus ended the filibuster against the labor supported Voter Registration bill.

Voting to invoke cloture 67
(49 Democrats—18 Republicans)

Voting against the cloture motion 32
(7 Democrats—25 Republicans)

Following this and the approval of some modifying amendments the Senate passed the measure by a 57-37 margin.

Among the key provisions of the McGee bill are: creation of a voter registration administration and the postcard registration procedure; a national 30-day residency requirement for voting in federal elections; financial inducements to the states to adopt both the postcard registration format and the 30-day residency requirement for their state and local elections as well as in federal elections.

The House Administration Committee has reported Rep. Dent's voter registration bill and it awaits final action by the House.

D. C. Home Rule

Although the Senate in 1971 passed legislation granting home rule to the District of Columbia, opposition by House D.C. Chairman McMillan (D-S.C.) and Rep. Joel Broyhill (R-Va.) blocked all attempts to secure a quorum of the committee needed to report out the House version of this legislation. As a result no further action in the 92nd Congress.

In the 93rd Congress the Senate once again passed a D.C. Home Rule bill sponsored by Sen. Thomas Eagleton (D-Mo.). Among other provisions the legislation, which was similar to the 1971 measure, transferred Congress' legislative and fiscal powers over to the District of Columbia to an elected city council with the mayor becoming the city's chief administrator, while establishing a federal payment to the city at a fixed percentage of the city's tax revenues. The Senate bill also included a provision allowing either house of Congress to veto any action taken by the city council.

On the House side the accession of Rep. Charles Diggs (D-Mich.) to the chairmanship of the D.C. Committee following the retirement of Rep. McMillan, paved the way for favorable action on the home rule legislation. In late July the House D.C. Committee reported out legislation similar to the Senate bill. Sponsored by Rep. Diggs the bill required action by both houses of Congress and the approval of the President to override acts taken by the elected city council. On October 9 the House began debate on the bill.

As a result of opposition to a number of provisions in the Diggs bill, particularly one which provided for an automatic, direct federal payment to the city rather than going through the congressional appropriating process, Rep. Diggs offered during floor debate a compromise bill which met several objections voiced by opponents of the home rule bill who were threatening to defeat the measure. After defeating three weak substitute bills the House, on October 10, approved the Diggs compromise by a 343-74 vote. The House however during the debate did approve two major amendments, one providing for presidential rather than mayorial appointment of city court judges and another "federal enclave" amendment guaranteeing continuing federal control over government property.

In mid-December House-Senate conferees completed action on a compromise home rule bill which the House and Senate later approved and the President signed on December 24 as PL 93-198.

As enacted the major provisions of the bill include:

- An annual congressional authorization of not more than $350 million with retention of line-item congressional control over the city's budget.
- Election of a 13-man city council and mayor on a partisan basis.
- Confirmation of judges appointed by the mayor to the D.C. Court of Appeals and the D.C. Superior Court by the Senate rather than the city council.
- Provision that no council action would take effect until 30 days after enactment to give Congress an opportunity to veto it. The original bill provided for a congressional veto but did not specify a lay-over period.
- The "federal enclave" provision.

FOREIGN AFFAIRS

Defense Spending*

At its first convention in 1955 the AFL-CIO, in adopting its initial resolution on foreign policy, pledged the continuing support of organized labor for U.S. efforts ". . . in building a world free from all dictatorship, poverty and war." As one of a number of guiding principles in developing ". . . an effective American democratic foreign policy and sound international labor relations," the AFL-CIO declared that ". . . our country and its allies must build up their political unity, economic power, and adequate military strength."

As an outgrowth of this policy, and in supporting the ongoing U.S. diplomatic efforts at the Strategic Arms Limitations Talks (SALT) and the Mutual and Balanced Force Reduction (MBFR) conferences aimed at mutual arms and troup reductions, the AFL-CIO has continued to support the maintenance of both an adequate weapons systems and sufficient U.S. troop strength in Europe in order to offset any Soviet advantage in either area. However, in terms of the U.S. military presence in Europe, the AFL-CIO has also advocated that the government take those steps necessary to insure that our European allies increase their share of NATO commitments and responsibilities.

In conformance with this policy the AFL-CIO, during Senate consideration of the fiscal 1974 military authorization bill, opposed efforts to cut by one-half the $1.5 billion authorization for the Trident nuclear submarine program and reduce by 40 percent U.S. overseas troops. In a close 47-49 vote the Senate rejected the Trident amendment offered by Sen. Thomas McIntyre (N-N.H.) as well as the troup reduction sponsored by Sen. Mike Mansfield. However, in order to reach a compromise with those members concerned with the cost of stationing U.S. troops overseas, the Senate did approve by a 48-36 vote an amendment by Senators Robert Byrd (D-W.Va.) and Hubert Humphrey (D-Minn.) reducing U.S. troops overseas by 110,000 men. In the conference report on the military bill which authorized $21.2 billion for defense research and development, House and Senate conferees included a compromise provision on overseas troop cuts which called for a reduction of U.S. forces assigned to any NATO country which did not contribute to the costs of maintaining U.S. troops in their country. On November 5, the Congress completed action on the legislation which as then signed by the President as PL 93-155 on November.

Rhodesian Chrome Embargo

In mid December 1966 the United Nations voted to impose an embargo against the white supremacist government of Rhodesia. In early January 1967 President Johnson issued an Executive Order implementing that embargo. However, in 1971, Sen. Harry F. Byrd (Ind.-Va.) offered an amendment to a pending fiscal 1972 military authorization bill prohibiting the President from adhering to a trading ban, involving strategic materials, on a freeworld nation when the United States was importing the same strategic materials from a Communist nation. The commodity at issue was chromium ore which the U.S. had previously imported from Rhodesia but, following the embargo, was being purchased in increasing amounts from Russia. Thus the Byrd amendment adopted by the Senate and subsequently enacted into law, has the effect of forcing the

United States to violate the United Nations embargo against Rhodesia.

With the U.S. as an important member of the UN policy making body—the Security Council—the effect of this embargo violation seriously damaged the credibility and prestige of the U.S. within the UN and in particular among African member nations.

As a result legislation was introduced in the 93rd Congress by Senator Hubert Humphrey (D-Minn.) to repeal the so-called Byrd amendment. In endorsing the Humphrey bill, the AFL-CIO urged the reimposition of the Rhodesian embargo stating that "the United States has a firm obligation to abide by the UN sanction which it voted to impose on the importation of Rhodesian chrome." On October 1 the Senate Foreign Relations Committee reported out the Humphrey measure.

On November 20 when the Senate began debate on the bill Senator Byrd began a filibuster to prevent final consideration of the legislation. However, on December 18, after two attempts to obtain the two-thirds necessary to invoke cloture and cut off debate had failed, the Senate finally invoked cloture and passed the bill by a 54-37 vote.

In the House, the subcommittee on International Organizations and Movements of the Foreign Affairs Committee has reported legislation to the full committee where it is expected to be taken up soon after Congress returns for the second session.

Immigration

The AFL-CIO has long advocated congressional action to "enact laws and provide for their effective enforcement" to stop "the employment of illegal aliens and bring under control the existing widespread use of Mexican commuters." The availability of these aliens for low-paid jobs has resulted not only in narrowing employment opportunities for American workers in the border states but also in undermining working and living conditions in these areas and, where these workers have been employed as strikebreakers in labor disputes, a weakening of the collective bargaining rights of union workers. In addition,

the presence of these illegal aliens presents a special problem for many communities in terms of medical care, unemployment compensation, welfare and other social services.

In the 93rd Congress legislation was again introduced in both Houses amending the Immigration and Nationality Act barring the employment of illegal aliens. In the 92nd Congress Rep. Peter Rodino (D-N.J.) chairman of the House Judiciary subcommittee dealing with immigration problems, had held field hearings throughout the country during which a large number of witnesses, including state and local representatives of the AFL-CIO, testified on the question of "illegals" and Mexican commuters working in the United States. In the course of these hearings, evidence was presented indicating that in 1970 over 317,000 illegally employed immigrants in the United States had been apprehended by the Immigration and Naturalization Service and that the total number of these illegal aliens might be as great as one million or more.

During 1973 House hearings on the proposed legislation, AFL-CIO spokesmen again restated the many economic problems associated with the influx of illegal aliens. Citing the bill's prohibition against and penalties for employers knowingly hiring or harboring illegal aliens, labor spokesmen characterized the legislation as, "not discriminating unfairly or improperly against any foreign or domestic . . ." and urged that the legislation be ". . . speedily enacted into law by this Congress."

The House Judiciary Committee on March 27, 1973 reported legislation making it illegal and providing criminal penalties for employers to knowingly hire illegal aliens not having been admitted for permanent residence. On May 3 the House took up and by a 297-63 vote passed the labor-supported bill. Although referred to the Senate Judiciary Subcommittee on Immigration and Naturalization, no hearings have been held on this legislation.

Later in the year the House passed another immigration bill which was primarily designed to bring immigrants from the Western Hemisphere under the same preferential quota system as applies to the rest of the world. During House debate Rep. Peter Rodino (D-N.J.), sponsor of the bill, failed in an effort

to amend the bill to increase from 20,000 to 35,000 each the immigrant quotas for Mexico and Canada.

Also included in the bill as reported from committee and passed by the House were two provisions specifically objected to by AFL-CIO representatives during the hearings on the legislation in mid-June. The first is designed to permit immigrants classified as temporary to hold permanent jobs in the U.S. Heretofore such aliens could hold only temporary jobs and the AFL-CIO took the position that this would create a serious loophole despite the fact that these "temporaries" would be brought under the labor certification authorization of the Secretary of Labor. The second provision modifies the labor certification requirement by eliminating the Secretary's consideration of the job situation prevailing "at the place" where the alien is to be employed rather than consideration of the job situation prevailing in the U.S. as a whole as is mandated under current law.

The AFL-CIO will continue to oppose these weakening provisions when the Senate Judiciary Subcommittee begins its hearings.

Reorganization Plan No. 2

In late March 1973 the Administration announced plans to establish a new Drug Enforcement Administration with the Department of Justice. Among other departmental transferrals, the new plan (section 2) would have had the effect of removing 900 agents from the Immigration and Naturalization Service (INS) and placed them under the jurisdiction of the Bureau of Customs whose agents would then have the double task of immigration and customs inspection. The INS would then have only 200 agents to perform only secondary immigration inspection duties.

The AFL-CIO Executive Council, while indicating its staunch support in the war against illegal drugs, took exception to the Administration plan as "a patchwork, makeshift proposal" which did nothing more than camouflage budget-cutting with

the rhetoric of crime fighting." In concurring with the American Federation of Government Employees, the council noted that a recent House-passed bill which strengthened existing immigration laws would, if enacted, require additional personnel to handle new inspection responsibilities. While urging the Administration to formulate a plan that "provides for vigorous enforcement of both laws, including adequate manpower, resources and facilities for enforcement agencies," the AFL-CIO asked Congress to reject the shortsighted reorganization plan.

As provided for by law either House of Congress may block implementation of a reorganization plan by disapproving it within 60 days after its submission to Congress. Because of strong labor opposition to the plan and the likelihood that the House would disapprove it, the Office of Management and Budget (OMB) which had formulated the reorganization effort, agreed in late May to retain the existing inspection force within the INS by urging enactment of legislation repealing section 2 of the plan or failing this, taking Administrative action to make this section inoperative.

Radio Free Europe — Radio Liberty

In stating that "genuine detente and the cause of just and lasting world peace and freedom cannot be attained unless the peoples of the world enjoy the right to open communication of information and ideas," the AFL-CIO renewed labor's support in 1973 for the continued funding of Radio Free Europe and Radio Liberty which the Federation characterized as ". . . highly effective in the advancement of open communication of information and ideas."

In late July 1973, the Senate Foreign Relations Committee reported out, over the continuing opposition of committee chairman William Fulbright (D-Ark.), a one-year $50.2 million authorization bill for the continued operation of the two stations through Fiscal 1974. Acting upon the recommendations of the report issued by a 1972 presidential study commission which had reviewed the operations of the stations, the legislation also approved the creation of a seven-member Board

for International Broadcasting to allocate the funds for and oversee operations of the two stations. On September 6, by a 76-10 vote, thet Senate passed without amendment the fiscal 1974 authorization bill as reported by the committee. During debate on the bill the Senate rejected efforts by Sen. Fulbright to both recommit the bill and failing that slash the funding by 50 percent.

On October 2 the House overwhelmingly passed the Senate bill without amendments thus clearing the bill for the President's signature on October 19 as PL 93-129. In a related action House and Senate conferees, in completing action on the Fiscal 1974 Appropriations Bill for the Departments of State, Justice and Commerce, approved an appropriation of $45 million for two radio stations in 1974.

UNFINISHED BUSINESS

In 1974 Congress faces a number of serious economic problems as well as an agenda of unfinished, yet vital social reform legislation. The energy crisis, a worsening economic situation and increasing unemployment are the serious challenges immediately confronting the second session of the 93rd Congress and which must be dealt with swiftly and equitably. On the other side of the ledger—the needs of the poor, the uneducated, the hungry and the homeless continue—and hope for fulfillment of their basic needs wane under the disinterest of an Administration dedicated to the needs and desires of only the rich and powerful.

Thus it is up to Congress to take the initiative and enact legislation guaranteeing viable solutions rather than empty promises if the nation is to survive its economic problems and satisfy the needs of its people. To accomplish this the AFL-CIO will urge Congress to take positive action on its 1974 legislative agenda whose major goals include:

- First and foremost—in the interests of national security, of preserving our democratic system of government and of restoring a fully functioning government to address the serious

problems facing the nation—the impeachment of President Richard Nixon.

- Tax justice to bring the federal income tax law in line with the concept of taxation based on ability to pay. Preferential tax loopholes which benefit rich corporations and wealthy individuals must be closed and all attempts to shift more of the tax burden onto the shoulders of working people must be rejected.

- Health—enactment of the National Health Security program to provide all Americans with quality medical care at a cost they can afford and full funding of all existing health programs.

- Enactment of effective trade legislation to stop the export of American jobs that results from unregulated imports and tax policies that encourage U.S. companies to run away and set up operations in foreign lands.

- Fair Labor Standards—extension of coverage to all workers and a minimum wage of at least $2.20 an hour.

- Implementation of a comprehensive energy program minimizing job layoffs due to the energy crisis and providing unemployment compensation and other benefits to displaced workers, guaranteeing labor representation on national state and local energy policy boards, providing for an excess profits tax on fuel producers and appropriating the necessary funding to finance a massive program of energy research and development.

- Passage of pension reform legislation protecting worker's pension rights while opposing all efforts to use such legislation as a means to create new tax loopholes for wealthy individuals.

- Housing—reform of the nation's housing program and passage of public land management legislation in order to insure all Americans both a decent home and a liveable environment in which to live.

- Poverty program—the full funding of all poverty programs, continued opposition to the Administration's dismantling of OEO and enactment of legislation creating an independent Legal Services Corporation to provide legal assistance to the poor.

- Consumer protection—passage of legislation establishing a nationwide system of no-fault insurance, creating an independent consumer protection agency, providing for warranty and guarantee standards and insuring rigorous inspection of food processing facilities, particularly fish and meat producers.

- Federal standards for workmen's compensation and unemployment compensation laws that will protect workers when they are disabled or unemployed.

- Increased funding and manpower to properly administer the Occupational Safety and Health Act and the Railway Safety Act and continued opposition to any and all attempts to cripple this landmark worker protection legislation.

- Full recognition of the rights of public workers as citizens by repeal of the Hatch Act, enactment of the Federal Workers Bill of Rights and legislation to establish a true system of collective bargaining for all public employes.

- Full funding of all other existing federal programs in such fields as education, manpower and environmental protection.

- Increased citizen participation in their government through a national voter registration law, and direct popular election of the President, while providing for the full public financing of all federal elections in order to restore the faith of American citizens in their government.

- Substantial increases in veterans educational benefits and increased funding for veterans health care.

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